Stock Markets Drop Across Europe and The Americas

Fire Sale of Asian Assets Undermines Economies In Russia and Venezuela

> By Mitchell Martin nat Herald Tribune

NEW YORK - Stock prices crumbled in Europe and the Americas on Friday as deflationary pressures from Asia infected other emerging markets, notably Russia and Venezuela.

The stock-market declines were exacerbated by

the U.S. missile attacks Thursday on suspected terrorist facilities in Afghanistan and Sudan and by President Bill Clinton's political problems.

The U.S. stock market was among the least affected, with the Dow Jones industrial average closing down just 77.76 points at 8,533.65, or 0.90 percent. Bond prices rose in America and Western Europe as investors opted for the relative safety of the fixed-income markets. Asian stock markets, which have been depressed for months, generally showed only minor losses.

The sharpest falls were recorded in South American stock markets, where key indexes fell as much as 8.4 percent. Trading was automatically halted for half an hour in Sao Paulo after the Bovespa index fell by more than 10 percent. The benchmark index recovered to finish down 2.85 percent.

In Venezuela, the benchmark stock index lost 8.4 percent, and in Argentina stocks lost 7.8 percent. Key equity indexes in Europe fell 3 percent to 4 percent, except in Germany, where the beachmark DAX closed 5.92 percent lower, reflecting German banks? exposure to Russia. Moscow precipitated the market turmoil Monday when it declared a moratorium on debt owed by banks and other borrowers and said it would allow the ruble to fall by as much as a third.

"What we are seeing," said Desmond Lachman, emerging markets economist at Salomon

See MARKETS, Page 10

Russia's Duma Demands Yeltsin Surrender Power

By Michael Wines New York Times Service

MOSCOW - The man who climbed atop an armored vehicle and led Russia out of communism in August 1991 has scarcely been seen in public since his country's financial markets and

its currency fell off a cliff last week. The big question - for him and for the reforms he champions - is whether Russians care any

President Boris Nikolayevich Yeltsin, aheady deeply unpopular, now seems to have sunk even lower in political and public esteem than his

The Duma, Russia's lower house of Parliament, voted, 245-32, on Friday to ask him to resign. Newspapers are savaging him with head-lines like "The Devaluation of the President." Political analysts say the week's events all but abort prospects that Mr. Yeltsin, now 67, might

seek a third term in 2000. His top aides, a best-and-brightest crew widely admired abroad, are now so tarred by failure at home that their own political prospects are

In fact, there is nobody on Russia's political horizon who embraces the president's Westernized brand of economic policy and — just as important — has a chance of winning a presidential election.

"There is nobody to continue the reforms," said Otto Latsis, the deputy editor of the news-

See RUSSIA, Page 4

THIS IS GOING TO BE A LONG-TERM BATTLE'



Ruins of El-Shifa pharmaceutical plant in Khartoum, Sudan, on Friday after U.S. cruise missiles came in during the night. The U.S. contends lethal research was under way at the site.

Struggle Gains New Dimension

A Look at How the Fight Against Terrorism Will Change

By Joseph Fitchett

PARIS - The U.S. war against terrorism assumed new dimension with the cruise missile strikes at targets in Afghanistan and Sudan. As with any adjustment to policy, questions abound. This is an effort to answer the most crucial ones.

What is different about these air raids and previous ones against terrorists?

The action signals a shift to more aggressive U.S. counter-terrorist tactics in response to a new phenomenon — "the privatization" of terrorism — in which individuals such as Osama bin Laden have rism. T rorist groups are less vulnerable than governments to traditional international pressures.

Striking directly at the terrorists' camps is the first step in a new counter-terrorist strategy designed to cope with this new fluidity in terrorists' moves.

What does it mean when President Bill Clinton

promised it would be "a long war?"

This approach will probably oblige the United States to use force again and again. A need for military

action will shift budget priorities — for example, to intelligence. In turn, the United States actions will step up political pressures on other governments, friend and foe, to take account of the determination by the United States to protect itself against terrorism. Was the United States violating international

laws by these missile attacks? Not if Washington acted in self-defense. Intervening unilaterally in a sovereign country is normally deemed aggression, but the UN Charter authorizes nations to strike pre-emptively against an imminent threat — precisely the language that U.S. officials have used in talking about Mr. bin Laden's plans for

fresh terrorist strikes. retaliation for the bombings of the embassies - themselves an act of war - but instead as moves to defend Americans against a constant threat by terrorists.

How important is Osama bin Laden? He is considered particularly formidable because of his credentials among Islamists committed to armed struggle and his extensive exposure to the West -

See QUESTIONS, Page 4

Osama bin Laden

Osama bin Laden or

 Provided safe house the World Trade Center bornber, Ramzi Ahmed

 Attacked U.S. soldiers in Yemen and Somalia during peacekeeping operations in 1993.

 Killed seven people in 1995 bombing of U.S. training facility in Riyadh, Saudi Arabia.

■ Aided 1995

ssination attempt on President Hosni Mubarak of Egypt.

Bombed Khobar Towers facility in Dhahran, Saudi

Arabia, in 1996 killing 19 U.S. servicemen. Participated in Aug. 7 bombings of U.S.

embassies in Nairobi and Dar es Salaam. Source: U.S. Defense Department, Washington Post.

Born: Around 1955 in Jidda, Saudi Arabia.

Family background: Youngest son of the late Mohammed bin Laden, a wealthy Saudi who founded the Bin Laden group, a construction company involved in Saudi government contracts. Osama bin Laden inherited about \$300

1979: Leaves Saudi Arabia to fight Soviets in

Mid-1980s: Co-founds group to help funnel fighters and funds to the Afghan resistance and establishes recruitment centers around the world. 1988: Forms organization to support Islamic opposition

1989: After Soviet withdrawal from Afghanistan, bin Laden returns to Jidda to work in family's business. 1991: Saudi Arabia expels bin Laden for his antigovernment activities. He relocates to Sudan.

1996: Sudan expels bin Laden largely in response to U.S. and UN pressure. Bin Laden takes refuge in Afghanistan, where he continues his support of Islamic extremist activities.

U.S. on Alert, Preparing for 'War' on Terror

By Brian Knowlton

WASHINGTON — The United States warned Friday that its missile strikes against sites in Afghanistan and Sudan signaled the start of a "long-term battle" against terrorists.

Officials ordered heightened security at installations abroad and at bases and government buildings in the United

With a sense of threat greater than at any time since the Gulf War, security measures were heightened immediately at many major airports in the United States and in other countries.

The State Department has urged Americans abroad "to exercise much greater caution than usual."

A terrorist response to the cruise missile attacks was almost certain, Secretary of State Madeleine Albright

"This is not going to be something that is dealt with overnight," Mrs. Albright said on NBC. "This is going to be a long-term battle against terrorists who have declared war on the United

Other key officials joined Mrs. Albright in warning that the battle with terrorists was far from over.

"We are certainly going to do ev-erything we can to defend ourselves," said Samuel Berger, the national security adviser, "but we're also going to

be on offense. He added, "We have to be ready to take a wide range of actions.

Attacks Thursday inflicted "medium heavy damage" on terrorist bases in Afghanistan and "functionally destroyed" a suspected chemical weapons factory in Sudan, Mr. Berger said Fri-He and Mrs. Albright called the

strikes a success. U.S. warships in the Red and Arabian seas fired 75 to 80 Tomahawk cruise missiles. President Bill Clinton interrupted his Martha's Vineyard vacation to make a dramatic announcement of the

U.S. strikes. Mr. Clinton said the United States had "convincing" evidence that ter-rorists loyal to Osama bin Laden, a wealthy Saudi exile, were responsible for the Aug. 7 bombings of U.S. em-bassies in Kenya and Tanzania, which killed more than 260 people. He said they were planning new attacks against

American targets. Officials in Afghanistan said that 21 people died there and 30 were injured in attacks on training camps and weapons

Sudanese officials said that at least 10 workers were injured, some critically, in attacks on a factory that locals insisted produced only pharmaceuticals, includ-

ing anti-malaria drugs.

Damage to that factory, in an industrial district north of Khartoum, was clearly extensive. A CNN correspondent reported seeing thousands of small pill bottles amid collapsed walls, twis-

ted girders and smoldering ruins.

Mr. Berger said it was possible that weapons-related chemicals were not all that the plant produced.

He added pointedly, however, "There is no question in my mind that the Sudanese factory was producing chemicals that are used, can be used in VX gas. This was a plant that was producing chemical-warfare related

The World Reacts

• Many Muslims voice fury over the U.S. strikes and predicted more violence. Page 5.

The European allies offer their support. Page 5.

 Specialists debate the effectiveness of striking back after terrorist attacks. Page 4.

• A certain film, 'Wag the Dog,' comes to mind as life imitates art imitating life. Page 3.

Private Woes And Public Responsibility For President

By John F. Harris

WASHINGTON — Ten days ago, President Bill Clinton flew overnight from a political trip in California for a White House meeting at which his national security team laid out planning for a military attack against a terrorist

network linked to Osama bin Laden. The next day, Mr. Clinton sent wor to some of his advisers that he had decided, after months of stalling, that he had no choice but to address the nation about his extramarital relationship with Monica Lewinsky.

The day after that, last Friday, he met again with the security team and gave approval for the retaliatory attacks in Afghanistan and Sudan. Then he spent the weekend closeted in the White House, preparing to meet with pros-

ecutors for queries into his sex life. On Monday, before his meeting with prosecutors about Ms. Lewinsky and his televised speech that night, there was a series of discussions with advisers about preparations for the military strike.

On Tuesday, the president flew to Martha's Vineyard, Massachusetts, for what aides said would be two weeks of healing time with his family.

All the while, he and a small number of national security officials knew the truth; Mr. Clinton planned to return soon to Washington so he could speak again to the nation, this time from the Oval Office about the U.S. military action be had ordered to avenge the Aug. 7 embassy bombings in Kenya and Tan-

And so it went for nearly two weeks, several close presidential advisers said Wednesday, as Mr. Clinton's schedule and thoughts hurtled back and forth between two crises of a very different nature. Even as Mr. Clinton was preparing to acknowledge a difficult truth about one secret in his private life, he was harboring another secret dealing with one of the most difficult respon-

See RIPOSTE, Page 4

See TIMING, Page 4

Page 13. . Page 6. Pages 18-19. The Intermerket

Bahrain......1.000 BO Maita. _C £ 1.00 Nigeria __12500 Naira Denmark __14.00 DKr Omen ___1.250 OR Finland ___12.00 FM Qeter ___10.00 QR Gibraiter ____ £ 0.85 Rep. Ireland _IR £ 1.00 Great Britain __£ 0.90 Saudi Arabis ___10 SR _______R12 + VAT 1.250 JD U.A.E 10.00 Dh



Mandela Sets Up Talks on Congo Crisis

Zimbabwe Troops Arrive to Aid Kabila as Risk of a Regional War Grows

By Nori Onishi New York Times Service

KINSHASA, Congo — As more countries became entangled Friday in the 19-day civil war in Congo, threatening to turn the central African nation into a battlefield for theethnic, political and diplomatic rivalries on the continent, President Nelson Mandela of South Africa announced plans to hold weekend talks with the leaders and sponsors of the war.

In Kinshasa, aides to President Laurent Kabila said they would par-ticipate in the negotiations. And the South African government announced that heads of the main countries involved in the conflict had also agreed to meet in Pretoria on Saturday. The announcement came after Zimbabwe began openly supplying Mr. Kabila's overwhelmed forces with arms and troops in the region southwest of here, possibly altering a situation in which the fall of Kinshasa seemed all but inevitable.

Meanwhile, Rwanda and Uganda, which have steadfastly denied buttressing the rebellion against Mr. Kabila, used unusually harsh words to denounce The South African government, which has been pressing for a peaceful

resolution to the conflict and has opposed military intervention, said that Mr. Mandela would meet with Mr. Kabila and the presidents of Zimbabwe, Uganda and Rwanda. The next day, representatives of the 14 nations of the Southern African De-

velopment Community are scheduled to

meet to try to agree on a policy toward Two of the organization's biggest

have locked horns on the issue of military involvement. Uganda and Rwanda do not belong to the organization, whose chairman is Mr.

members, South Africa and Zimbabwe,

"It could be a turning point," said a European ambassador in this city. "I think on Saturday, they might try to get the major players together to iron out their differences before the Sunday

meeting."
But the conflict has already damaged long-term relations among countries in this region, he said, adding: "Relations between South Africa and Zimbabwe

See CONGO, Page 4

	The Dollar	
New York	Friday 🗣 4 P.M.	previous clos
DM	1,7976	1.798
Yen	144.775	143.12
FF	6.0266	6.03
Pound Dollars per po	1.6365 und	1.63
	The Dow	
₹	Finday close	percent chang
-77.76	8,533.65	0.90%
	S&P 500	
₩		
10.36	1,081.24	0.95%
	Nasdaq	
•		
-34.81	1,797,63	1.90%

Lewinsky Returns

Monica Lewinsky offered more details in her second grand jury appearance as prosecutors sought disinctions between her testimony and that of President Clinton. Page 3.

AGENDA **Ex-Klan Chieftain** Convicted of Murder

HATTIESBURG, Mississippi (AP)

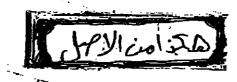
- The former Ku Klux Klan chieftain Samuel Bowers was convicted Friday of ordering the 1966 firebombing death of a

civil rights activist, Vernon Dahmer. The Forrest County Circuit Court jury deliberated just over two hours before convicting Mr. Bowers, 73, of arson and murder. The conviction, which followed four days of testimony, came after four trials in the 1960s ended with deadlocked juries.

Mr. Bowers showed no emotion as the

verdict was read. "Take him away," Circuit Judge Richard McKenzie said after the jury foreman announced the verdict. The sentence carried an automatic life term.

There was no immediate indication as to whether Mr. Bowers would appeal.



THE PROPERTY OF THE PARTY OF TH

Botha Convicted for Ignoring Subpoena

Former South African President Threatened With Jail if He Refuses to Testify

GEORGE, South Africa -Former President Pieter W. Botha Africa's simmering racial divisions. was convicted Friday of ignoring a subpoena to testify about apartheid

A black magistrate gave Mr. Botha, the last of the hard-line leaders of apartheid, a one-year sus-pended jail sentence and ordered him to pay a fine of 10,000 rand (\$1,600) for ignoring the summons from the Truth and Reconciliation Commission, led by Archbishop Desmond Tutu. The judge threatened Mr. Botha with prison if he repeats the snub.

Magistrate Victor Lugaju could have sentenced Mr. Botha, 82, to two years in prison, but he said he took into account the age and frail health of the former president.

Judge Lugaju criticized Mr. Botha for his refusal to cooperate with the commission, which is investigating abuses, including murder and torture, carried out un-

"Right through the proceedings, the accused has shown no remorse,"

Judge Lugaju said in his ruling at the lanta, where he will spend the pear at commission hear-end of a trial that underscored South academic year writing and teaching. ings — which have now The state prosecutor, Bruce Mor-

rison, had asked for a fine of 60,000 rand, but because of Mr. Botha's age, had not sought a prison term. 'Had the accused been 30 or 40 asked for imprisonment to be imposed," he said.

Judge Lugaju dismissed defense claims of technical faults with the subpoena and accusations that the commission was biased.

'The commission went to great lengths to assist the accused and meet his requirements," the magistrate said.

Archbishop Tutu that he felt sorry" for Mr. Botha.

"He has been found guilty in an open court where he had the opportunity of being defended by lawyers of his own choice — something he did not allow opponents at the time he was state president," the retired archbishop and Nobel laureate said, speaking at a news con-ference at Emory University in At-

"Ultimately, right will prevail. I'm still distressed for him."

Mr. Botha's lawyer, Ernst Penzhorn, said an appeal would be heard in the Cape Town High Court. tinues. He expressed hope that another sentence was suspended on years younger, the state would have court would come to a different conclusion. Conservative whites sympathized with Mr. Botha's complaint that the commission is conducting a witch hunt against

their race, while many blacks see the panel as being too soft on top min-isters in apartheid governments. As Mr. Botha left the court building, about 30 supporters of the governing African National Congress

jeered and waved placards demanding that he be jailed. 'We can forgive him for the past. Send him to jail for his arrogance,'

read one. Mr. Botha declined to comment to reporters, but appeared relaxed and jovial in court as he chatted to friends and relatives. He was released on a bail of 50 rand.

Though originally asked to ap-

ended — Mr. Botha may be served with more subpoenas as the commission's amnesty work con-Mr. Botha's condition he obey all future

Bringing Mr. Botha to court was a vital test for the commission's credibility as it prepares to submit a final report to President

ming up its often painful exposé of the country's past. Alex Boraine, the acting commission chairman, said the verdict

Nelson Mandela in October sum-

was a triumph for justice in postapartheid South Africa. "Mr. Botha has been publicly held accountable for his actions in a court of law, and he has been af-

forded every opportunity to defend himself — something which was often denied to his political oppo-nents during the years of his rule,"



Pieter W. Botha, the former hard-line president, arriving in court Friday.

Mr. Boths ruled for 11 years until 1989, when he was ousted in an internal party struggle after he suffered a stroke and was replaced by the more liberal F.W. de Klerk.

Daryl Swanepoel, spokesman for the National Party that Botha headed, criticized the commission for taking Mr. Botha to court.

He complained that while the Truth Commission granted blanket amnesty to several ANC figures the amnesty was subsequently annulled by the Supreme Court — "in the Botha case they rushed into legal action."

(AP, Reuters)

Mr. Sam Rainsy was leading a sleep in protest Thursday at the election committee's headquarters, inside the Interior Ministry compound, when several shots were fired and a grenade was tossed from a passing car. The grenade did not clear the wall and exploded omside it, killing a driver for the Kyodo news agency of Japan. Mr. Sam

demonstrations afterward.

Rainsy was unbarmed.

His Conviction in Dirty War MADRID - A former interior minister convicted of involvement in a "dirty war" against Basque separatists appealed to Spain's highest court on Friday, with a former prime

Former Spanish Minister Appeals

BRIEFLY

Cambodian Leaders Accused

Of Attempt to Kill Sam Rainsy

PHNOM PENH — The Cambodian opposition Friday accused the country's leaders of trying to kill the prominent

dissident Sam Rainsy in a grenade attack and vowed to take

their challenge against alleged election fraud to the streets.

appearing at a news conference, urged the international com-

munity to withdraw the endorsement it has bestowed on

parliamentary elections last month won by the strongman Hun

Sen. The opposition leaders said they would go ahead with a massive protest Sunday against alleged election-stealing by Mr. Hun Sen and announced that they would hold daily

Mr. Sam Rainsy and three other leading opposition figures,

minister, Felipe Gonzalez, acting as his lawyer.

Jose Barrionuevo and his former deputy, Rafael Vera, who served in Mr. Gonzalez's Socialist government during the 1980s, asked the Constitutional Court to throw out their

convictions and rescind their 10-year prison sentences. They argued that prosecutors failed to present sufficient proof of their guilt during a Supreme Court trial that ended with guilty verdicts late last month, according to court doc-

In an effort to help his two former lieutenants clear their names, Mr. Gonzalez, a former labor lawyer who has not practiced since entering political life, joined their legal teams

and signed his name to their appeals.

Mr. Barrionuevo and Mr. Vera were among 12 defendants convicted in the 1983 kidnapping of a Basque businessman that marked the start of a covert campaign of terror against the separatist guerrilla group ETA.

U.S. and North Korea Hold Talks

NEW YORK - The United States and North Korea met Friday to discuss progress on the North's 1994 agreement to stop nuclear weapons development amid reports of a sus-

pected nuclear project in the country.

The United States has said it lacks firm evidence that North Korea has reneged on its commitment under the agreement Pyongyang undertook to refrain from nuclear weapons development in exchange for Western-built civilian nuclear reactors and fuel-oil shipments.

Media reports this week alleged that the North was working on a nuclear project at an underground complex in a mountainside 40 kilometers (25 miles) northeast of Yongbyon. It was at the Yongbyon nuclear facility where North Korea was believed to have made enough plutonium for one or two bombs before the 1994 accord. (AP)

'People's Parliament' in Burma? pecially concerned about the dete-next few weeks, the province could face severe food shortages this

RANGOON - Burma's opposition said Friday it would shortly call a "people's Parliament," raising the pressure on the country's military rulers, who ignored the result of a general election eight years ago.

The defiant announcement from the National League for Democracy came after the government ignored a Friday deadline set by the opposition for the convening of a parliament.

Diplomats said the move set the stage for a more intense round of political confrontation in coming days. (Reuters)

Corsican Nationalist Is Slain

AJACCIO, Corsica — A militant Corsican nationalist was shot to death early Friday at a party organized by a nationalist group, and police said they were trying to establish if the killing was politically motivated.

Jean-Christophe Garelli, 27, was shot 10 times in the back

after a heated argument during the festivities organized by the Movement for Self-Determination (MPA) on the French

For the Record

An Italian man was killed Friday in the collision of two boats in the Venetian lagoon, the third fatality from such an accident in recent days, news reports said. Tiziano Spinadin, 38, died while being taken to a Venice hospital.

Kosovar Calls on West; Paris Hints at Action

leading politician among Kosovo ing the rebels from most of their Albanians called Friday for foreign strongholds. powers to declare a "no-fly zone" over the secessionist province of Kosovo to halt the Serbian "war machine" in its crackdown.

The call, issued by Ibrahim Rugova, came after France warned that military intervention might be the only alternative to halt the fighting in Kosovo if U.S. diplomacy did not produce a cease-fire and peace

In Kosovo, the Yugosiav news agency Tanjug reported that ethnic Albanians opened fire on a Serbian police patrol 30 kilometers (20 miles) northwest of Pristina, in the town of Vucitm.

The report said an unspecified number of Albanians had been wounded in the shoot-out.

There was no immediate reaction

bian sources reported fighting be-

Kosovo Liberation Army on Thurs-PRISTINA, Yugoslavia - The day, despite Serbian success in driv-

> Speaking at a news conference, Mr. Rugova repeated demands that civilians driven from their homes by the fighting be allowed to return under "international supervision," claiming that the Serbian police were blocking their attempts.

> "It is necessary to establish a ban on military flights over Kosovo," Mr. Rugova said. "That is one of the ways to stop the Serbian war machinery in Kosovo.

"The situation in Kosovo is very difficult and dangerous," he added. "The offensive by Serbian police and military forces continues, as well as the shelling of Albanian villages.' ded, Serbian repression of the popu-

lace is unabated. Such confrontational rhetoric continued despite American efforts Both Kosovo Albanian and Ser- to pave the way for a cease-fire and tween government forces and the bian province, whose population is peace talks begin soon, military ac-



In other parts of Kosovo, he ad- Yugoslav soldiers repairing an armored personnel carrier in a convoy on the highway to Drenica.

90 percent ethnic Albanian.

In a telephone call Thursday to President Boris Yeltsin of Russia, President Jacques Chirac of France peace talks on the future of the Ser- said that unless fighting stops and

"will become difficult to

Aides said Mr. Chirac was esriorating humanitarian situation in

UN and European officials have warned that unless the refugees can return in time to harvest crops in the

Bosnia Haunts the Dutch

Military Investigates New Allegations That Tank Rammed Into Crowd of Muslims in Srebrenica

The Associated Press

AMSTERDAM — The Netherlands is haunted anew by the ghosts of a Bosnian massacre.

It is Serbs who stand accused of killing thousands of Muslims in July 1995 and bulldozing their bodies into shallow mass graves in the northeastern Bosnia-Herzegovina enclave of Srebrenica. But the Dutch are agonizing over the massacre. The Netherlands, its peacekeepers

criticized for failing to stop some of the Bosnian war's worst atrocities, has been scandalized by new allegations that Dutch soldiers may have killed Muslims

The Defense Ministry is investigating reports that Dutch UN peacekeepers assigned to protect Srebreinica drove a tank into a crowd of Muslims, killing as many as 30 people. The military also is probing allegations that it deliberately destroyed film footage showing its troops helping Serbs separate Muslim men from women for deportation. "What Saigon is for the Americans,

Srebrenica is for the Dutch: a scratch on the people's soul," the Dutch news-magazine HP/De Tijd said this week.

Dutch angst over the affair began early in 1996, when the world realized an area designated by the United Nations as a safe haven for Muslims had become a killing field.

Criticized by the international com-munity for doing little if anything to stop the slaughter, Dutch commanders responded that their 300 troops were outnumbered and outmuscled by the Serbs and restrained by a weak UN

UNIVERSITY DEGREE

BACHELOR'S • MASTER'S • DOCTORATE

For Work, Life and Academic Expenence

Pacific Western University

(808) 597-1909 EXT. 23 FAX: (310) 471-6456

http://www.pwu-hi.edu

Fax or send detailed resume for

FREE EVALUATION

mandate forbidding them from engaging in combat. At first, those denials were enough from the soldiers that the Dutch had

But then four Dutch medics asserted that they had been ordered not to treat wounded Muslim civilians. The mil-

come to think of as heroes.

itary denied it.

Then came publication of a photograph, taken when the siege ended, of the Dutch unit's commander, Lieutenant Colonel Ton Karremans, glass in hand, with General Ratko Mladic, the Bosnian-Serb commander who has been indicted for genocide for commanding the siege and who remains at large.

Now, with the latest allegations of troops driving a tank through a crowd of Muslims, the accusations have become a national obsession. This week, one entertainment magazine broke from its usual lighthearted fare and printed a large photo of bones protruding from a mass grave.

"It's an emotional situation. We have

to tread carefully," Defense Minister Frank de Grave said. "I want the facts out in the open as soon as possible."

Although the UN tribunal in The Hague absolved the Dutch unit of atroc-

ities in 1995, the state prosecutor and the Netherlands State Institute for War Documentation are investigating along with the military.

Former peacekeepers, meanwhile, have defended their actions. Sergeant Robert van Essen wrote

Thursday in a commentary for the daily Algemeen Dagblad, "Imagine this sce-nario: You are blocked by a group of armed Muslims. Stop? Then you'll be pulled out of your vehicle, disarmed and probably lynched. Ride through? In a split second that's what you decide."

He ended with a jab at the politicians now demanding a full accounting: Thanks for such wonderful and exemplary support of the soldiers you sent

Some fear the Dutch will never exorcise the demons of Srebrenica. "It's a horrible story," said former Defense Minister Joris Voorhoeve, who also is implicated in the affair. "I don't think we'll ever fully cope with it."

TRAVEL UPDATE

U.S. Orders Air Travel Alert WASHINGTON (AP) — Fearing retribution, some airports in the United States began augmenting security measures just hours after the military strike against targets in Sudan and Af-

On Thursday evening, the Federal Aviation Administration issued an advisory prohibiting U.S.

airlines from flying over those two countries. Foreign carriers that have passenger-sharing agreements with U.S. airlines were banned from taking passengers with U.S.-issued tickets over the

affected airspace, the agency said.

Awaiting further federal directives on security, some airports implemented additional security precautions on their own.

Tropical Storm in Caribbean

MIAMI (AP) — A tropical storm skirted the northern Caribbean on Friday with winds of 50 miles (80 kilometers) per hour, bringing rain and

wind to several islands. Forecasters expected it to become a hurricane by Saturday. Winds of tropical storm force extended 145 miles from the storm's center.

A tropical storm warning was in effect for the U.S. and British Virgin Islands in the northeastern A tropical storm watch was issued for the south-

eastern Bahamas and the nearby Turks and Caicos A tropical storm watch in effect for Puerto Rico.

Antigua, Barbuda, Anguilla, St. Maarten, Saba and St. Eustatius was expected to be lifted later Friday. Rain bands from the storm were producing heavy

The computer system serving air traffic in New England and New York blacked out for 37 minutes Wednesday night, causing havoc from the Canadian border to Long Island, the Boston Globe reported Friday. Controllers were following 300 planes when all information on altitude, air speed, route and destination was lost. (Reuters)

Belfast Police Seek Tips on Bombing

The Associated Press

BELFAST — The police have appealed for help in identifying two men spotted parking and then walking away from the car that contained a bomb that killed 28 people in Northern Ireland.

The police on Thursday freed three of five men they had arrested in an effort to track down the Irish Republican Army dissidents responsible for the Aug. 15 blast, the deadliest terrorist attack in Northern Ireland since the conflict

Under British anti-terrorist law, the two remaining suspects can be held for up to a week before being released or

The police moves came after three days of funerals for the slain civilians, who were both Protestant and Roman Catholic. More than 330 people were

The Real IRA, which refuses to adhere to the IRA's July 1997 truce, has insisted it did not mean to cause a massacre. A spokesman using a recognized code word announced the group would 'suspend' car bomb attacks in Northem Ireland. The alleged commander of the group, Michael McKevitt, has denied any connection to the explosion and has not been arrested.

CAP STATE OF THE S North America

Forecast for Sunday through Tuesday, as provided by AcculWeather. Europe North America
Hurricane Bonnie will Mild with some sunshine in Dry and seasonably warm cause high surf from the Carolines to New York, but and Tuesday, but wholy in the Southwast. Gusty and hot in the Southwast. Gusty wat and cool with rain Sunday southern Japan. Cloudy in the Southwast. Gusty wat and cool from northern with rain in Seoul Sunday thunderstorms will runble some sunday, then sunny and southwast was the northern Plains Norwey. Mostow and most Sunday, then sunny and cooler as thunderstorms of Russia will be warm and honday. The run some shift east across the Greet Southwastern Europe. Asia

WEATHER

32/00 17/02 a 32/00 18/5/0/ 846 29/5 m 12/63 29/6 a 26/70 12/63 5 28/02 13/65 a 26/70 12/63 5 28/02 13/65 a 26/70 11/62 pc 32/02 23/73 r 32/00 18/06 a 32/09 20/08 s Latin America

A two-month trial subscription. Save up to <u>60</u>%

Try a special, low cost 2-month trial subscription to the International Herald Tribune to enjoy delivery to your home or office every morning AND save up to 60% off

Yes, I would like to start receiving the International Herald Tribune. My check is enclosed (payable to the IHT) Charge my: Amex Diners VISA Access MosterCord Dispressor 1 got this copy of the lift at: □ local: □ hotel □ airline □ other got this copy of the IHT at: I kicelt I hotel I airline I other 2
11 do not wish to receive information from other carefully accepted companies.

Mail or fax to: International Herold Tethone
EUROPE, MEDDLE EAST 2-AFFICA.

181 Ave. Charles de Goulle, 92521 Neurity Cadex, France
Fax: +33.1 41 43 92 10. 1et +33.1 41 43 93 61

1850 Third Average, New York, N.Y. 10022-5275 1/5A.

Fax: +1 212 755 8785. Tel: (roll frest) 1-800-882-2884.

1201 K. Wah Centre, 191 Love Road, North Point, Hong Kong
Fax: +852 2922 1197. Tel: +852 2922 1171

Mail: subsettie.com - Asian substitutification in International Wannel. Printed by Newsfax International, London. Registered as a newspaper at the past office.

Lewinsky Tells Grand Jury More About Presents and Sex With Clinton

By Don Van Natta Jr. and Richard L. Berke

· WASHINGTON — In her second and probably final appearance before a grand jury here, Monica Lewinsky offered more specifics about her sexual -relationship with President Bill Clinton as prosecutors sought to draw distinctions between her testimony and that of the president, lawyers close to the case

During the three-and-one-half-hour session Thursday, prosecutors bore in on the events that led Ms. Lewinsky to return gifts from the president that had been subpoensed in the Paula Jones sexual misconduct lawsuit last December, the lawyers said.

... The events surrounding the gifts are potentially the most serious for the president because prosecutors are seeking to determine whether he instructed Ms. Lewinsky to turn the gifts over to his secretary, Betty Currie, rather than give them to lawyers for Mrs. Jones.

Ms. Lewinsky testified Thursday that she told Mr. Clinton last December that the Jones subpoena demanded gifts he had given her, a lawyer familiar with her

and the second of the second o

The president told her that she could not turn over the gifts if they were not in her possession, Ms. Lewinsky has told

The day after her discussion with the president, Ms. Lewinsky received a phone call from Ms. Currie, who told her, "I hear you have something for me." Ms. Lewinsky told the grand jury Thursday, lawyers familiar with her account said. Ms. Lewinsky said that she just assumed that Ms. Curie was re-ferring to the gifts, the lawyers said.

Later that day, Ms. Currie went to Ms. Lewinsky's apartment to retrieve the gifts, the lawyers said in their account of her testimony.

But this account differs in some respects from Mr. Clinton's testimony

Mr. Clinton told the prosecutors that he told Ms. Lewinsky in December

1997 that she had no choice but to turn over gifts he had given her to Mrs. Jones's lawyers, lawyers familiar with his testimony said.

When asked about the role of Ms. Currie, he said he could not recall telling her to call Ms. Lewinsky about the gifts, the lawyers said.

Prosecutors are also investigating whether Mr. Clinton kept some of the gifts given to him by Ms. Lewinsky that had been subpoenaed by lawyers in the Jones case, lawyers close to the case

of her sexual encounters with the president than she gave in her testimony two weeks ago, her friends and associates The specifics of their physical contacts are also central to the prosecutors'

case as they try to determine whether

Mr. Clinton committed perjury in a de-

Ms. Lewinsky offered more specifics

position in the Jones case. Ms. Lewinsky, these people said, told the panel that he intimately caressed her breasts and touched her genitals during

several encounters inside the White

Her account was far more detailed than the president's testimony.

Before he began Monday, Mr. Clinton admitted to the grand jury in a statement supplied by his lawyers that he had "inappropriate intimate physical contact" with Ms. Lewinsky in the White House. But the president repeatedly declined to discuss specific

As prosecutors continue to try to determine whether Mr. Clinton lied in his January deposition in the Jones case, lawyers on both sides continue to wrangle over what constitutes sexual

In his grand jury testimony, Mr. Clinton argued that the type of relationship he had with Ms. Lewinsky did not meet the definition of sex used by Mrs. Jones's lawyers, lawyers close to the case said. Three lawyers said he was implying that he had oral sex with Ms. Lewinsky without testifying to that di-

But prosecutors are expected to argue that the acts described by Ms. Lewinsky on Thursday fall within the definition of sexual relations" used by Mrs. Jones's lawyers.

Beyond the testimony, prosecutors have obtained a sample of Mr. Clinton's genetic material to determine whether it matches a semen stain on a dress Ms. Lewinsky turned over to prosecutors.

lawyers close to the investigation said.

The FBI crime laboratory has determined that the stain on the blue dress was semen, two officials briefed on the results said Thursday.

If the DNA in that stain matches the DNA sample from the president, prosecutors would have forensic proof that the president's relationship with Ms. Lewinsky was sexual.

An adviser to the president said that the DNA sample was requested from Mr. Clinton last Friday and provided over the weekend.

Lawyers familiar with Mr. Clinton's testimony said prosecutors asked him questions about the dress.

Prosecutors apparently considered it important to obtain forensic proof of the relationship as well, perhaps anticipating that Mr. Clinton would likely maintain that his contacts with Ms. Lewinsky did not fit the definition in the Jones

During Mr. Clinton's testimony, prosecutors also asked the president if he deliberately wore a necktie, given to him by Ms. Lewinsky, during a Rose Garden appearance Aug. 6, the day Ms. Lewinsky first testified before the grand

Mr. Clinton said he did not believe the gold and royal blue tie had been a gift from her. He was then informed that she had testified she gave it to him, and the prosecutors asked if he had worn it that day as some kind of a "signal" to her, perhaps to influence her testi-

Mr. Clinton said again he could not remember if the tie came from her. But he insisted that he had no intention of sending Ms. Lewinsky any kind of message that day.



David Kaczynski, whose suspicions led the FBI to his brother.

Brother of Unabomber Gets \$1 Million Reward

Cash Will Go to Victims, His Lawyer Says

By James Brooke New York Times Service

NEW YORK — David Kaczynski and his wife have been given a \$1 million reward from the Justice Department for turning in Mr. Kaczyn-

families of those killed and injured in ski and the FBI, received the \$1 million his brother's 16 bombings over 17

Mr. Kaczynski told the FBI in 1995 it to Mr. Kaczynski and his wife. that he suspected that his brother was responsible for the attacks after he read worked out" for distributing the a 35,000-word tract from the bomber money, the lawyer said. He added that that was published in The Washington federal and state taxes could gobble Post. The manifesto, which was published with joint financing from The New York Times, echoed many of the emotionally torn by turning in his anti-technology sentiments he had brother. He battled before the trial this

heard his brother express. Ever since his brother's arrest in the reward, which was offered in Oc-mental incapacity that could have tober 1993, but out of concern that brought a life sentence. As the trial

more people could be hurt. Theodore Kaczynski killed three people and injured 29 others, including university professors, corporate executives, a secretary, a security guard and -12 passengers on an airplane.

"My mother and I respect their loss he received four life sentences. and wish to do whatever we can to ease their grief," David Kaczynski said last autumn, referring to his moth- brother's presence. er, Wanda, who lives near the couple. "I know that mere money cannot give me," David Kaczynski said.

JERUSALEM -- Inching toward compromise, Israel

the Palestinians in writing since January to win accept-that it would withdraw from ance for a proposal that Israel

an assailant, suspected to be a estinians would have virtu-

for the first time confirmed to

13 percent of the West Bank

- with conditions, an Israeli

ator denied that any progress

had been made and said that

ations between the two sides

The newspaper report

there had been no negoti-

since Aug. 4.

But a Palestinian negoti-

newspaper reported Friday.

compensate for the loss of a loved one or rebuild a shattered life."

Mr. Kaczynski did not return calls made Thursday to Equinox, the shelter for troubled teenagers where he works. But Anthony Bisceglie, his lawyer, said that he expected Mr. ski's older brother, Theodore, as the Kaczynski to stick to his plan to distribute the reward money, after taxes, Mr. Kaczynski, an upstate New. among the victims and their families. York social worker, has said that he Mr. Bisceglie, who served as the will give the proceeds of the reward to initial liaison between David Kaczyn-

> check at his Washington law office Wednesday. He said he had forwarded "The mechanics have not been

up almost half of the reward. Mr. Kaczynski has said that he was year to save his brother's life.

Prosecutors wanted a death sen-April 1996, Mr. Kaczynski has said that tence for Theodore Kaczynski, while he did not go to the FBI out of interest in he refused to accept a defense based on was about to begin, prosecutors agreed in January to recognize Theodore Kaczynski's mental illness, to allow him to plead guilty to 13 attacks, in-cluding the three fatal bombings, and to not seek the death penalty. In May,

> Throughout the hearings, Theodore Kaczynski never acknowledged his

"I hope that Ted will someday for-

Palestinian, who stabbed a ally no say over land use.

Jewish settler to death and set fire to his home.

The newspaper Yedioth Ahronoth reported Friday

Washington has sought

withdraw from 13 percent of

the West Bank. The Pales-

tinians reluctantly accepted

the plan. Israel has said a pull-

back on that scale would en-

In recent weeks, Israel has

floated a compromise under

which it would withdraw

from 13 percent of the West

came as Israeli troops sealed Bank, but 3 percent of that agreements and not creating

off the West Bank city of area would be declared a new categories of land," the

Hebron while searching for nature reserve and the Pal-negotiator said Friday.

danger its security.

For Whatever Reason, People Think of 'Wag the Dog'

By Frank Bruni New York Times Service

NEW YORK - When the news that the United States had bombed terrorist targets swept through her midtown Manhattan office Thursday, Valerie David felt a predictable knot of emotions: sorrow for the loss of lives, concern about the precision of the attacks, fear about where this would all lead.

But her reaction was threaded with what she described as a surreal, almost

comical sense of deja vu.
"'Wag the Dog," said Ms. David,
an Avon Products copy editor, stifling a chuckle. "Everybody at the office was talking about it, how ironic it was that life was imitating art."

In the movie, the president's aides contrive a war to distract attention from sexual transgressions. Was the administration doing something like that?

Cynical in the extreme, that was a from Morris Plains, New Jersey. question that some residents of the New ork region could not avoid asking.

It seemed to reflect not only the bizarre parallels between fiction and fact but also a profound distrust some Americans have begun to harbor.

These Americans may well represent a minority. A random sampling of opinions around the New York region yielded at least as many people who said the president's use of force in Afghanistan and Sudan seemed justified, that the U.S. could never be too aggressive in its ef-

forts to stamp out and deter terrorists. Even some of those people who pro-fessed antipathy toward President Bill Clinton did not think he would stoop so low as to use military action to divert attention from Monica Lewinsky, with whom he admitted a relationship.

"I don't think he's that much of a dimwit," said Lina Fetter, an accountant

But there were others for whom the timing of the bombings, coming so fast on the heels of the president's televised address on Monday night, seemed a little

too tidy, a little too cinematic. "The first thing that popped into my mind was how convenient this was," said Brian Cooper, an investment banking analyst who works in midtown Man-"My brother called me to tell me what had happened, and I said, 'Doesn't this remind you of 'Wag the Dog?' "

The fact that Mr. Cooper could not be certain whether his suspicions of the president's motives had been planted by the movie, or were separate from it, was only one of the odd ways in which Hollywood and Washington commingled

As it happened, the pool of news reporters assigned to a tent outside the then informs an aide, "It sounds like he

Martha's Vineyard had just settled down to watch "Wag the Dog" on pay-perview television when word came that the president would be interrupting his vacation for an important announcement.

That announcement, of course, was about the attacks. Kenneth Starr, the independent counsel investigating the Lewinsky affair, fielded a question about "Wag the Dog"

from reporters on the steps of the courthouse in Little Rock, Arkansas. 'Yes, I have seen it," Mr. Starr said

with a chuckle. "Other than that, I'm not going to comment."

Uncharitable reactions could be found on the Internet, which quickly sprouted jokes that cast Mr. Clinton's actions as a cunning ploy. In one, a pollster tells the president, "Your speech bombed. I'm being as candid as I can." The president house where the president was staying in said I should bomb Afghanistan.

POLITICAL NOTES

Aide's Notes Quote Gore On Fund-Raising Rules

WASHINGTON - The notes of a senior aide say that at a November 1995 White House meeting where the distinction between hard and soft money was apparently discussed, Vice President Al Gore told the others present to "count me in" on making fund-raising telephone calls that are now the subject of a Justice Department review on whether to seek the appointment of an independent prosecutor. Mr. Gore's comment was recorded in hand-

written notes by his deputy chief of staff, David Stranss, that appear on several pages of a White House memorandum that discussed the Democrats' ambitious fund-raising strategy for the 1996 Clinton re-election campaign. The memorandum was turned over to the Justice Department by the White House about a month ago and has prompted prosecutors to begin the process of investigate campaign finance abuses.

The notes suggest that Mr. Gore may not have been candid in his public statements on the subject of the phone calls. He has said that he did not realize that some of the large contributions be solicited in the fund-raising calls for general campaign purposes by the Democratic Party, such as registration drives, would be diverted to "hard money" accounts that directly financed such Clinton-Gore re-election devices as television ads.

But Mr. Strauss' notes indicate that Mr. Gore may have known that there was a distinction between "hard money" and "soft money" contributions because the subject appears to have to ask the White House. been discussed at the Nov. 21, 1995, meeting "He is handled by the attended by President Bill Clinton, Mr. Gore and senior campaign officials.

Mr. Strauss wrote "65 percent soft, 35 percent hard," an apparent reference to the division of contributions between hard and soft money accounts. In his small, neat hand, he jotted a

that agreement was near to deflect U.S. pressure.

In Hebron, the army said it

was barring Palestinians from

entering and leaving the vol-

atile city following the killing overnight of Rabbi Shlomo

Raanan, 63, a grandson of

Rabbi Avraham Yitzhak Haco-

hen Kook, whose writings in-

spired the settler movement.

nouncing through a spokes-

man that he would return to

Jerusalem in the afternoon for

consultations over tensions in

shorthand definition of soft money as "corporate or anything over \$20K from an individual.'

The seemingly narrow question of whether Mr. Gore knew the distinction between hard and soft money is significant because Attorney General Janet Reno has said that telephone solicitations for the re-election effort, or hard money, by the president or vice president were subject to federal campaign finance laws and could be illegal.

Ms. Reno refused in December to seek an outside prosecutor to investigate Mr. Gore's phone calls, in effect clearing him of wrongdoing, because she had found no evidence that he had known that money from any of his calls had been diverted to hard money accounts. But early this month the notes forced her to reconsider her decision, law enforcement officials said.

The officials said that Mr. Gore was recently questioned for about a half hour by Justice Department investigators. But his aides said he would ultimately be exonerated.

Where Is Socks the Cat?

WASHINGTON — There was Buddy in newspapers Thursday, trotting ahead of his mas-ter on a Martha's Vineyard country road. There the chocolate Labrador was earlier this month, greeting the president on his return from a fundraising trip to California. And on Wednesday, Buddy was on the front page of newspapers around the world, alongside his humans, Bill, Hill and Chels, as they left town. But what about Socks?

Where is that black-and-white cat who played First Prop when the Clintons came here in 1993? Has he been banished? Or ... worse? We decided

"He is handled by the first lady's press office," the president's media shop said. A call to what Mrs. C's staffers call "Hil-

laryland" was answered by a spokeswoman, Julie Mason, who said, "Socks is still here, alive and well. Maybe he doesn't like the heat of the

where Hezbollah guerrillas held sectors under an interim

Bushinsky, said that Mr. Ara- a curfew in the 20 percent of

Aviv

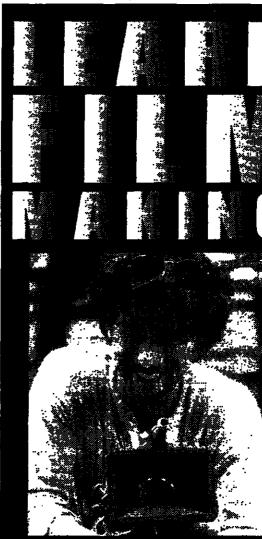
Away From Politics

 A judge ordered electronic monitoring devices removed from the legs of two Chicago boys, ages 7 and 8, who are charged in the death of an 11-year-old girl. They will be allowed to leave home only under adult supervision. (AP)

 A leak at a Philadelphia plastics plant spewed a yellow and white cloud, sending at least 20 people to the hospital and closing the Walt Whitman Bridge for hours.

· A robber who killed a convenience store clerk was executed by lethal injection in Virginia.

• A fire damaged the Goddard Space Flight Center extensively, but no one was injured in the blaze in Greenbelt, Maryland.



YOUR OWN SHORT FILMS IN OUR HANDS-ON EIGHT WEEK INTENSIVE TOTAL IMMERSION PROGRAMS FOR INDIVIDUALS WITH LITTLE OR NO PRIOR FILMMAKING EXPERIENCE.

WORK WITH 16MM ARRIFLEX CAMERAS IN SMALL CLASSES DESIGNED AND TAUGHT BY AWARD - WINNING INSTRUCTORS.

NEW WORKSHOPS START THE FIRST MONDAY OF EVERY MONTH IN NEW YORK CITY ALL YEAR ROUND.

NEW YORK PRINCETON UNIVERSITY YALE UNIVERSITY * UCLA * PARIS, FRANCE * CAMBRIDGE UNIVERSITY, ENGLAND * VENICE, ITALY SUMMER WORKSHOPS LOCATION ONLY - FOUR, SIX AND EIGHT WEEK,

TEL: 212-674-4300 FAX: 212-477-1414

arkshops are solely owned and operated by the New York Film Academy YOUR FILM ACADEMY 100 EAST 17TH STREET NEW YORK CITY 10003

Swiss Central Bank Boycotts Holocaust Settlement The settlement involved the release the Nazis sold to neutral nations dur- New York between the Italian insurer

that Israel had submitted the

plan to the Palestinians in

writing, and that the Pales-

tinian leader, Yasser Arafat.

had become intensively in-

The daily said the compro-

mise had been accepted by the

Palestinians, but a Palestinian

negotiator, Hassan Asfour,

denied that report.

volved in the negotiations.

refused Friday to contribute to a \$1.25 billion settlement by the country's two biggest commercial banks with

Holocaust survivors. dinary meeting of its 40-member board to discuss the accord.

United Bank of Switzerland and redit Suisse said they expected other Swiss companies and institutions to help finance the agreement they made in an out-of-court sentement of billions of dollars' worth of claims by

banks, but also against the central bank, the Swiss government, other commercial banks and Swiss industry.

Although welcoming the accord, the central bank stressed in a state-The Swiss National Bank announced the decision after an extraorment that it was not involved in the settlement negotiations.

It "holds the view that its subsequent participation in the costs of the settlement would lend this an official character, which is not in the Jerusalem. interests of the country as a whole,"

the statement added. The central bank, which was the said in Jerusalem that a \$100 million central relay point for the bulk of gold settlement reached Wednesday in

BERN — The Swiss central bank of all claims not only against the two ing World War II, has said any obligations arising from its dealings had been settled in a 1946 treaty.

■ Insurance Claims to Climb

"The redeployments must be in accordance with the holiday in northern Israel, an-

Israel Is Said to Give Written Pullout Offer to Palestinians

Claims against European insurance companies for policies sold to Jews who later died in the Holocaust could exceed \$1 billion, according to a leading American insurance regulator, The Associated Press reported from

Deborah Senn, the insurance com-

missioner of the state of Washington,

Assicurazioni Generali and Jewish organizations was only a beginning and did not define the company's total debt to the survivors and heirs. Ms. Senn serves on a nine-member

cused the government of Hebron and in Lebanon, to Israeli- and Palestinian-Prime Minister Benjamin where Hezbollah guerrillas held sectors under an interim Netanyahu of leaking reports killed two Israelis.

fat had promised Yitzhak Molho, a Netanyahu adviser,

that he would order Palestin-

Early Friday, about 20 Pal-

estinians hurled rocks and

bottles at Israeli soldiers in

the streets of Hebron. Pales-

tinian police helped break up

About 400 Jews live in the

center of Hebron, which is

home to 100,000 Palestin-

ians. The city was divided in-

ian police to take all steps to homes.

The spokesman,

help catch the killer.

the disturbance.

task force negotiating with European insurance companies on the settlement of the claims. She said the debt of Generali and the other European insurance companies could not be calculated until they all

agreed to make their records public. "The hundred million was a floor," she said. "It is my belief that these claims could easily be within the billion-dollar range or more.'

CHF 3240.-/week (July)

PALACE HOTEL **GSTAAD SWITZERLAND** Phone +41 33 748 50 00 Telefax +41 33 748 50 01

Roy Emerson

From June 21 to September 26 CHF 3080.-/week (June/Sept.)

The Israeli Army imposed

Hebron under Israeli control.

confining the 20,000 Pales-

tinians who live there to their

(AP, Reuters)

Internet: http://www.palace.ch E-mail: palace@gstaad.ch The leading Hotels of the World

Evidence on Saudi Exile Is Called 'Very Compelling'

By James Risen New York Times Service

WASHINGTON - The U.S. missile strikes in Afghanistan and Sudan came after U.S. intelligence and law enforcement agencies had compiled what officials described as the strongest evidence obtained to this time in a major

The American intelligence community has been convinced for years that Osama bin Laden, a Saudi dissident living in exile, has been involved in a long series of attacks against U.S. interests.

But the officials said they had more comprehensive and conclusive evidence than ever linking Mr. bin Laden to the bombings at the American embassies in Kenya and Tanzania earlier this month. President Bill Clinton said that ev-

But Mr. Clinton and his aides provided no real details of the evidence and, in some major aspects, the credibility of the administration's case against Mr. bin Laden was difficult to

idence provided the justification he

needed to order the attacks.

specifically and for terrorist activities in

In his speech, Mr. Clinton accused Mr. bin Laden of an array of actual and plotted terrorist acts, from attacks on U.S. soldiers in Somalia to plots against the Pope and American airliners.

Perhaps the most detailed bit of evidence to back the accusations was not even spelled out by the president.

In Albania, the authorities, aided by U.S. intelligence agents, arrested five men who were described as Egyptian Islamic terrorists, and they seized material indicating that they intended to bomb the U.S. Embassy in Tirana, Al-

er the plot was to have been carried out before or after the attacks in Africa.

U.S. government officials, who spoke on condition of anonymity, said credible evidence showed that a number of leading members of what they called an international terrorist network

gathering Thursday at a terrorist camp in Afghanistan, likely to plan further attacks on the United States.

By attacking the meeting site, the United States hoped to badly damage the terrorist network. The officials said they would not be able to assess the damage at the terrorist camp until later.

The government's counter-terrorism center, based at the Central Intelligence Agency, "feels strongly that there is as much and as rich evidence from a wide variety of sources on this case as they have ever had," a U.S. official said.

"Our information was convincing, banians said.

U.S. officials said the plot was one of several attacks planned by Mr. bin Laden's network. It was not clear whether the plot was to have been considered and carried out by bin Laden's network. And we had compelling evidence that bin Laden and his organization were planned. and we had a high confidence level that ther attacks. If we didn't take action, we were going to get hit, there's no doubt in our mind."

U.S. officials declined to provide any details of the evidence linking Mr. bin Laden to the embassy bombings, but they have said they strongly sus-

As their investigation gained momentum, they said, the links to Mr. bin the president's national security ad-Laden quickly began to emerge. In contrast with other recent major terrorist cases, which required months or years to solve, the evidence against Mr. bin Laden in the East Africa bombings came together with remarkable speed.

Officials would not comment on earlier reports from Pakistan that Mohammed Saddiq Odeh, a suspect arrested in Pakistan and sent back to Kenya for interrogation by the FBI and Kenyans, had told Pakistani investigators the bombings were the work of Mr.

bin Laden's group.
"We had early indications, and over time the information got better," a U.S.intelligence official said. "We had multiple sources, and the picture was extremely convincing. You have to be careful how you weigh early information, but in this case it was very com-

pelling."
"Rarely do numerous sources converge so uniformly and persuasively as they did in the course of our inves-

assess, both for the embassy bombings sponsored by Mr. bin Laden would be pected his involvement from the start. tigation into the responsibility for these terrorist acts," added Samuel Berger,

The Zhawar Kili guerrilla camp, near Khost, Afghanistan, where the terrorist conference was expected to be held, was hit by sea-launched cruise missiles. American officials said that Mr. bin Laden had held a similar conference in

Afghanistan in January, apparently to plan attacks against the United States.

Mr. bin Laden's networks have issued new terrorist threats against the United States since the embassy bombings.
"We had information that something

in the camp was going to take place today," said a senior U.S. official. "It's possible the meeting was to plan further attacks.'

Americans say the camps have been in existence since the 1980s and they showed satellite photos of a vast complex that they said included the camps. One American official said that since May, Mr. bin Laden has become in-

creasingly cautious about his personal security, moving frequently.

QUESTIONS: A New Dimension in Struggle Against Terrorism

Continued from Page 1

terrorist actions.

Terrorists bomb a Berlin disco. killing U.S. servicemen.

ATTACK April 1993 Iraq is accused of trying to assassinate President George

COUNTERATTACK June 26, 1993 U.S. bombs Baghdad.

and Tanzania are bombed.

COUNTERATTACK Thursday U.S. bombs terrorist instal-lations

Continued from Page 1

paper Noviye Izvestia and a highly re-

garded political analyst. "We can only

ricular has risen from the dead before.

presidential front-runners: Alexander

Lebed, the former general who now gov-

erns the vast Siberian region of Krasno-

Continued from Page 1

"Clearly, Rwanda and Uganda are unhappy. I think it will be difficult to see

For Mr. Kabila's government, the

On Thursday, a leader of the rebellion

weekend talks will allow it to reinforce

the point among the Congolese that out-

offered to negotiate a cease-fire with Mr.

Kabila's government, which immedi-

ately rejected any talks with the rebels.

"We want to negotiate with our real

enemies, that is to say, Rwanda and

day in an interview in his office.
"What we have realized is that the

rebels are just servants. Why would we

want to negotiate with servants? We'll

Early this month, ethnic Tutsi from

negotiate with their masters."

are deteriorating as this goes on.

how this will all end."

siders started this civil war.

pensions

both gained largely fighting Soviet forces in Afghanistan in the 1980s. In addition to Western business experience gained through his family in Saudi Arabia and his own construction companies, he was trained by the CIA as a leader in semicovert operations in Afghanistan. With the collapse of the communist threat, he turned his campaign

against the U.S. presence in Saudi Arabia and elsewhere in the Islamic world. In 1992, he was involved in the ambush of U.S. forces in Somalia. Washington now connects him with terrorist bombings in Saudi Arabia.

Is Washington responsible for the

Taleban's position in Afghanistan? During the Cold War, the United States backed and even incited anti-So-

viet activity by conservative Arabs and Muslims, first to protect the oil-rich Gulf, then to create a quagmire for the Soviet army in Afghanistan. Forces set in motion by this cozy arrangement have spun out of control in some ways as Islamic fundamentalists challenge weak regimes in the Middle East - and sweep

they consolidated their hold on power, Washington has not done anything to accommodate them. How serious is the outcry in Muslim

Mr. bin Laden's notoriety will cer-

tainly benefit among extremists, but the real agenda is very different for the main governments. Riyadh has often tried to placate Mr. bin Laden, sometimes refusing to cooperate with Washington. But Riyadh will now be forced to make tougher decisions about Mr. bin Landen. whose main objective is to overthrow the Saudi ruling family. . Why was President Boris Yeltsin of

Russia so hostile?

Already faced with economic collapse, he had to defuse criticism from anti-American nationalists in the Russian Duma. But Mr. Yeltsin's overriding priority is getting economic help when Mr. Clinton visits Moscow on Sept. 1.

Russian strategists fear an extremist contagion from the Taleban in Muslimpopulated former republics of the Soviet Union bordering Afghanistan.

Why was France so reserved? France avoids anything that it fears them away, as the Taleban did. Since might attract Islamic terrorism from Al-

bers of the Duma put aside Mr. Yeltsin's

demands to overhaul the country's tax

system and spent several hours flaying

Chairman Denis Kiselyov said Friday,

according to an Agence France-Presse

dispatch. Central bank reserves stood at

\$15.1 billion as of Aug. 14, down from

Investors continued to stay away

Russia's central bank no longer has

him and his advisers.

\$17 billion on Aug. 7.

the reserves to fix the ruble rate.

geria. In addition, President Jacques Chirac worries about the pattern of U.S.led military operations that show up Moscow's powerlessness and could eventually trigger a backlash in Russia. The question is particularly sensitive because Washington has been trying to get French backing, most recently in a Clinton-Chirac phone conversation last Wednesday, for NATO military intervention in Kosovo, if necessary, by-passing the need for Russian endorsement in the Security Council. Why weren't the allies involved?

The United States is the only country capable of launching a strike at such distances, with no pilots at risk and no countries to ask for permission, much less help. The Tomahawk missiles have always been accurate once they get close to their targets, but even as recently as the Gulf War the range involved in Thursday's strikes would have been too great for comfort. The key improvement was the deployment of satellite-borne electronics, known as the Global Positioning System, which in its military version can guide the missile over hundreds of miles without any need to rely

on the terrain for orientation. RUSSIA: State Duma Derides Yeltsin and Votes for Him to Resign TIMING: gency session on the fiscal crisis, mem- 2 Crises for Clinton

Continued from Page 1

sibilities of his public life. The White House on Thursday asattack suspected terrorist installations

was in no way linked to or affected by the Lewinsky controversy. At a minimum, however, the response to Mr. Clinton's action showed how his legal and personal problems have altered

the prism through which his presidential decisions are viewed. Several Republicans Thursday raised the issue expressly. Senator Dan Coats, Republican of Indiana, said: "After months of lies and deceit and manipulations and deceptions — stonewalling — it raised into doubt everything he does

and everything he says.' Some of the comments echoed those made when Mr. Clinton contemplated military action against Iraq in Febru-

However, Clinton aides said the president's schedule in recent weeks highlighted a remarkable ability to separate his public duties from his personal

"He's got his priorities straight," said the White House press secretary, Michael McCurry. Even as the Clinton family is "working through some issues." he said, the president realizes that his first responsibility "is always as commander in chief.

That responsibility, the national security adviser, Samuel Berger, said Thursday, involved an element of subterfuge - behaving as if vacation was under way when, in fact, Mr. Clinton

was very much working. "One of the things that was indispensable to this operation was secrecy, Mr. Berger told reporters. "I have to say I have some degree of collective pride on the part of my colleagues that we were

actually able to, for once, do that." Even though Mr. Clinton had approved the concept of attacks last Friday,

Mr. Berger said the president had the ability to halt execution until about 6

U.S. Warships Timed Attacks From Arabian And Red Seas

By Steven Lee Myers New York Times Service

WASHINGTON - The United States attacked targets in Afghanistan and Sudan with roughly 75 cruise missiles fired from navy ships in the Arabian and Red seas timed to strike their targets simultaneously, senior administration and military officials said.

The missiles struck at 1:30 P.M. eastern daylight time, more than 4,000 kilometers (2,500 miles) apart, after dark had settled in Afghanistan and as twilight wanted in Sudan, the officials said.

Most struck six separate targets within a surawling camp near Khost, Afghanistan, which President Bill Clinton called "one of the most active terrorist bases in the world." A smaller barrage struck a factory in the Sudanese capital, Khartoum, that the Clinton administration maintained produced important components of chemical weapons, particularly VX nerve gas.

As the attack began, Secretary of Defense William Cohen ordered every American military base in the world to heighten its state of alert, increasing security in the event of retaliation from supporters of Osama bin Laden, the Saudi exile whom the United States accuses of sponsoring terrorism, including the embassy

bombings in Africa this month.
As the missile attack was launched from a distance, there were no American casualties, the officials said.

The strike was the most significant military attack by the United States since September 1996, when the Pentagon carried out cruise-missile strikes in southern Iraq to punish President Saddam Hussein after an attack by Iraqi troops against the

Kurdish enclave in northern Iraq. It was also the first hostilities for Mr. Cohen, who joined the Clinton administration as its only Republican cabinet member in January 1997, and for General Henry Shelton, chairman of the Joint Chiefs of Staff. since he took over as the nation's senior military adviser last October.

. They were part of what the president's national security adviser, Samuel Berger, called "a small group" of aides who drafted the considerable tumult in Mr. Clin-

ton's presidency. American military action appears, for now, to be limited to the strikes Thursday, but the president's senior advisers left open the possibility of additional action, especially if Mr.

bin Laden's supporters retaliate. "This doesn't foreclose anything," Mr. Cohen said. "What we have prepared and have to be prepared for is a long continuing effort

to deal with terrorism." The United States has a formidable array of forces in the region, the bulk of it devoted to keeping Iraq in check. A military official said the Pentagon did not have to

increase its forces in the region to mount the strike. Although Mr. Clinton had ordered a reduction from the peak levels reached during last winter's showdown with Mr. Saddam over weapons inspections, the United States still had more than 23,000 soldiers, 170 aircraft and 24 warships patrolling the Gulf, led by the aircraft carrier Abraham Lincoln

Tomahawk cruise missiles, like those used in the attacks Thursday, The missiles, 18 feet (5.5 meters) long and costing nearly \$1 million each, can carry 1,000 pounds of explosives, fly 700 to 1,000 miles and, with satellite guidance, strike their targets with remarkable precision. Officials at the Pentagon were

Seven of those ships are fitted with

extremely reluctant to discuss where the cruise missiles were launched and from what ships. However, the officials, speaking on condition of anonymity, said that two ships steamed to the Red Sea neat

Sudan while others launched the attack from the Arabian Sea off Pakistan.

Effectiveness Of Retaliation Is Debated By Specialists

By Serge Schmemann New York Times Service

NEW YORK - In the war against terrorism, experience suggests that any operation, whether an assassination or the sort of strike launched by the United States, has the quality of damned-if-you-do-and-damned-if-you-don't.

On the positive side, according to experts — especially in Israel, where the fight against terrorism has been waged longest and hardest -- is the possibility that the strike on Thursday destroyed training sites and a chemical-weapons

plant, and a few terrorists as well. If American intelligence did, in fact, pinpoint sites used by the people behind the bombings of the American embassies in Kenya and Tanzania, the attack will also put terrorists on notice that they can never rest or let their

guard fall On the down side is ANALYSIS the fact that such attacks have not shown much effectiveness as deterrents. On the contrary, experts say, it is most likely that the targets of the action and their supporters will lash back.

Given the growing sophistication of militant groups in the use of media, it is likely that television cameras will be invited to record any civilian victims or wayward bombs, with the United States portrayed as a heartless bully, and President Bill Clinton as a scandal-wounded

leader in search of sensational diversion. But among Israelis, at least, after coping with terror for most of their history, the consensus is that Mr. Clinton did what he had to do.

"It all boils down to punishment, deterrence and prevention," said Joseph Alpher, the head of the Jerusalem office of the American Jewish Committee and an specialist on military affairs. "Even if it's revenge, it's meant to send a message that there will be a retaliation, and that is deterrence.

"If you look at the Israeli experience yarsk, and Yuri Luzhkov, the canny or the American experience, a deterrent message doesn't always work. Israeli operations have not necessarily deterred terrorism, and they often become part of a cycle of strikes and counterstrikes. But it does make it more difficult for ter-

rorists to act."

"And if you don't retaliate." Mr.
Alpher added, "you appear to be weak, not interested in deterring - an easy target. So the only answer is prevention. You kill terrorists, force them to duck, to keep their heads low, to worry about being discovered by American intelli-

If that was the goal, one question is whether an air strike was the most effective method. Roger Clark, a professor of international law at Rutgers University in New Jersey, said the primary goal in the hattle against terrorism should be to Uganda," Dominique Sakombi Inongo, a senior adviser to Mr. Kabila, said Fricatch terrorists, "and I'm not persuaded that bombing is the way to go about it."
"The U.S. and Israel are the prime

supporters of the notion of retaliation in the world." Mr. Clark said, "and they tend to make legal justifications that other people are uncomfortable with. I'm not convinced that punishment is useful as a deterrent. You have to try to catch some of the terrorists."

Edward Herman, professor emeritus at the Wharton School of the University of Pennsylvania, also found the strikes problematic. "I don't think these are very effective," he said. "It's very hard to bomb accurately. It is a violation of international law; there are United Nations rules. So when a country just chooses to drop bombs on two separate countries, they may kill people who are innocent bystanders, and it's likely to be

counterproductive.1 Yossi Melman, an Israeli writer specializing in intelligence issues, said that the American raids on Thursday might be viewed as a daring operation politically, but that questions were bound

to arise about the timing.
"If Americans hadn't acted, they'd say Clinton was paralyzed by the affair," he said. "If he does, they say he's using this to divert attention. But he has to show that America is still a superpower, and doesn't tolerate actions

against its installations and interests." The problem with combating terror. the specialists agreed, is that success or failure cannot be measured in traditional military or law-enforcement terms. Ultimately, they said, the targets of terror must strike back, if only to demonstrate killed. that they have not been cowed or de-

retaliated against previous

Past Counterstrikes

How the United States has

ATTACK April 5, 1986

COUNTERATTACK April 14, 1986 U.S. bombs Tripoli and Benghazi,

Bush in Kuwait.

ATTACK Aug. 7, 1998 U.S. embassies in Nairobi

in Afchanistan and an industrial plant in Sudan.

mayor of Moscow. Both men are strong-willed, even authoritarian rulers. Although Mr. Lebed can be unpredictable, both lean less topin our hopes on some semi-miracle ward free markets than toward central-

that, in two years, Russia's savior may ized control of the economy. Mr. Luzhkov has a smooth political Mr. Latsis and others are quick to style. Mr. Lebed is rougher-edged but stress that predicting Russia's future is a trying hard; his aides are discussing political and economic sessions with of-

fool's job, and that Mr. Yeltsin in parficials at Harvard University. Neither would be a president even Still, the devaluation and debt restructuring of this week almost certainly will remotely like the mercurial but steadfastly Western-oriented Mr. Yeltsin. mean inflation, recession and less government revenue at a time when Russians are clamoring for stability, growth Nor would the other current major contender. Gennadi Zyuganov, the Comand billions of rubles in back wages and munist who ran second behind Mr. Yeltsin two years ago.

None of that bodes well for market-Two other assumed candidates, Viktor Chemomyrdin and Grigori Yavlinstyle reforms or their proponents. To the sky, are more reform-minded, but contrary, political experts say the crisis has strengthened the two left-of-center neither has a large following. politicians already regarded as the early

Mr. Chernomyrdin also suffers because he was Mr. Yeltsin's prime minister during the birth of the policies that led to the economic catastrophe. Friday, in the first hours of an emer-

The Tutsi-led Rwandan government,

encouraged and helped the rebels to try to overthrow Mr. Kabila, the same man

both countries placked from obscurity

less than two years ago to lead a suc-

cessful coup against Congo's longtime

At first, Mr. Kabila had many

Rwandan top aides in his government,

but got rid of them as his popularity

in the country openly express their hatred of the Tutsi and Rwandans.

Residents in Kinshasa and elsewhere

Mr. Sakombi said that the government

is succeeding in counterattacks on the

rebel forces in the region near the At-

lantic by using Angolan jets to bomb

Reports that Angola had also sent

dictator, Mobutu Sese Seko.

Friday, with the benchmark RTS index finishing 5.56 percent lower. It is down nearly 80 percent for the year.] Mr. Yeltsin, on vacation for five

from the Russian stock market on

weeks now, has struck a strange pose through all this. Almost a week ago, in the old city of Novgorod, he thundered that the ruble

would not be devalued and that he would not cut short his rest to return to Moscow because that would be viewed as evidence of a "disaster." Within hours, ary. both events came to pass.

CONGO: Mandela Organizes Meeting in Pretoria to Discuss Crisis

eastern Congo began an uprising near troops into that area to help Mr. Kabila's the Rwandan border and in the region southwest of Kinshasa. troops into that area to help Mr. Kabila's forces could not be confirmed. On Thursday night, however, state television in Kinshasa showed, for the with its Ugandan ally, is believed to have first time, troops from Zimbabwe arriving at the airport. A European diplomat said Friday that

soldiers from Zimbabwe had been coming to Kinshasa for several days, but that so far they numbered only in the hun-The soldiers are expected to reinforce

government troops that are being sent west of Kinshasa to help deflect a possible takeover of the capital by rebels. Rwanda and Uganda have strongly denied any involvement in the rebellion, but on Friday they issued statements that appeared to belie those claims.

The Rwandan government condemned Zimbabwe and said that it now reserved the right to enter the Congolese conflict "in whatever manner it deems

RIPOSTE: Tightening Security, U.S. Warns That Attacks Are Start of a 'Long-Term Battle' Against Terrorists

rebel troops.

Continued from Page 1

weapons, and we have physical evidence of that fact." Pakistan at first claimed that at least one stray missile had landed on its territory, just across the border from the

Afghan target sites, killing five or six persons. Later it retracted the statement. Undersecretary of State Thomas Pickering said that the missile had landed on Afghan territory and might have killed Pakistani nationals who were then brought across the border to a Pakistani

The Pentagon did not dispute the cas-ualty figures from Sudan or Afghan-istan. Mr. Berger said the United States had no knowledge of any "unintended" casualties.

before U.S. satellites could provide an accurate damage assessment. There were reports that Mr. bin Laden had survived the attacks. Mr. Berger said Mr. bin Laden's whereabouts were unknown and that it was unclear whether any of his top lieutenants had been

He said the purpose of the attacks was "not specifically to target bin Laden"

but "to target his infrastructure, his network and one of the largest terrorist training camps in the world."

The Sudanese government protested the attacks to the United Nations, calling them an offense against its sovereignty. The matter was not raised Friday at the first UN Security Council meeting after the U.S. strikes. Danilo Turk of Slovenia, which holds the rotating presidency of the council, said, however, that the United States had circulated a letter at the meeting invoking Article 51 of the UN Charter. That article permits strikes intended to prevent an imminent threat. Mr. Berger called the attacks "both ap-

propriate and lawful." The attacks, which U.S. officials said involved assistance from no other counry, were endorsed by some key U.S. Because of cloud cover over the allies, most strongly by Britain and Is-Afghan sites, he said, it would be days Chancellor Helmut Kohl of Germany

> Keizo Obuchi, expressed his "understanding. But President Boris Yeltsin of Russia condemned the U.S. action, complaining that he had been given no advance notice and that U.S. negotiations with Afghan and Sudanese authorities should have

said of the attacks, "I can understand

that." And the Japanese prime minister,

"been held to the last."

ers had been informed in advance of the strikes but that some were phoned simultaneously.

agreement on this particular issue, I don't believe will affect the summit at Mr. Clinton, Vice President Al Gore

The president later returned to Martha's Vineyard to resume his va-The 22-member Arab League issued a strong condemnation of the strikes from

In Washington, key members of Congress were strongly supportive of the president. The Senate majority leader, Trent Lott, Republican of Mississippi, called the attacks "appropriate and just." The House speaker, Newt Gingrich of Georgia, said, "I think the pres-

Relations Committee, also praised the Representative Lee Hamilton, Demo-

crat of Indiana, and ranking minority member of the International Relations Committee, said on ABC: "There was a remarkable convergence of the intelligence information here. It was real and

including Senators Arlen Specter of Pennsylvania and Dan Coats of Indiana, said they were troubled by the timing. The president announced the strikes

three days after his deeply controversial admission of a sexual relationship with Monica Lewinsky, a former White House intern. Asked about a comment by Senator

stood out singularly as someone who suggested something that is not true." Such suggestions drew anger from Mr. Clinton's Democratic supporters. Senator Joseph Biden of Delaware, ranking Democrat on the Foreign Relations Committee, called the criticisms

on Americans" and on evidence that a large number of terrorists had gathered at the Afghan site. Public support was strong, one survey

showed, for what was the boldest show of military force in Mr. Clinton's presidency. A CNN poll taken immediately after the strikes were announced found that 66 percent of Americans favored the attacks, while 19 percent were opposed. But nearly half of Americans said the

U.S. officials, while acknowledging that terrorist retaliation was likely, insisted repeatedly that the strikes were intended to head off terrorist attacks already planned. "We have been the bull's eye," said Undersecretary Pick-ering. "We are the bull's eye."

In the United States, the FBI and other authorities warned police and the public to be on the alert. In Washington, federal workers were encouraged not to wear their security passes in public. Subway passengers were warned to watch for sus-picious-looking packages. Patrols west

increased around national monuments. Operations at U.S. diplomatic posts in five African countries, including Sudan, have been suspended since the embassy bombings. The United States has no diplomatic post in Afghanistan.

==

. .

اللهات

....

_

under der der 🚒

445

4.4

- W

in an 🍇

or with Larvas D**ik**j

್ಷ ಚಿತ್ರಗಳ 🌉

or or a military

::

red in Hake

Mr. Berger said that no foreign lead-

Asked about Mr. Clinton's meeting next month in Moscow with Mr. Yeltsin, he said. "The fact that there's a dis-

and Mrs. Albright phoned other foreign leaders Friday, Mr. Berger said.

its headquarters in Cairo. Sudan currently holds the rotating presidency of

ident did exactly the right thing." Senator Jesse Helms, Republican of North Carolina, chairman of the Foreign

is overwhelming."

A vocal few Republican legislators,

Coats, Michael McCurry, the presidential spokesman, said the Indiana senator

'preposterous.'' Mrs. Albright said that "our timing was based purely on what was necessary in responding to those horrible attacks

bombings would increase terrorism.

Allies Back U.S., Yeltsin Is 'Outraged,' and Muslims Are Furious

Russian Chief, Saying He Got No Warning, Denounces Action

By Sharon LaFraniere

MOSCOW - President Boris Yeltsin said Friday that he was "outraged" by the U.S. missile strikes on targets in had no advance warning of the attacks. My attitude is indeed negative, as it would be to any act of terrorism, military interference, failure to solve a problem through talks," said Mr. Yeltsin, speak-

ing at an airport near the Arctic city of Murmansk, where he was en route to view naval exercises. "I am outraged, and I denounce this." Asked whether he knew about the

strikes in advance, Mr. Yeltsin said, "I can tell you honestly I did not know. It allies, Reuters reported from Paris. looks like the whole world did not know about it. That makes it even more in-

According to Mr. Yeltsin's press ser-vice, Mr. Yeltsin received President Bill Clinton's explanation for the strikes on

Mr. Yeltsin's press secretary later tried to soften Mr. Yeltsin's reaction, saying that Washington and Moscow "are in the same boat as far as the struggle against terrorism is concerned." and that Russia understands how much suffering the embassy bombings had caused and wants to work with the United States against terrorism. But he added, "President Yeltsin was angered by the fact he had not been informed of this problem.

The Foreign Ministry issued its own statement, saying that the unilateral U.S. military actions "no matter how they are explained, cannot but raise deep concern. Such actions do not bring us any closer to the aim of rooting out terrorism and could create a dangerous precedent."

The last Soviet leader, Mikhail Gorbachev, also said he did not consider the attacks "legitimate or balanced" and warned that they could set "a bad precedent that other countries might fol-

Kohl and Schroeder Back U.S. William Drozdiak of The Washington

Post reported from Berlin: In a ringing declaration of support, Chancellor Helmut Kohl of Germany praised Mr. Clinton's decision to strike

targets in Afghanistan and Sudan and six people. Late Friday evening, howinsisted that the United States had every ever, the government withdrew the right to retaliate for bomb attacks against charge its embassies in East Africa. "There is no scourge today worse

than international terrorism," Mr. Kohl said in Bonn. "Every nation has the right to defend itself against such atrocities as happened at the American embassies in

Mr. Kohi said that he had not talked with Mr. Clinton since last week but that he was kept fully informed through proper channels. Germany evacuated its citizens from Pakistan, Sudan and Afbhanistan in the days before the attack.

The chancellor heaped scorn on critics of the U.S. cruise missile attack, "Those who are complaining photographs of the civilians who were slaughtered in a fashion that should fill thousands of protesters on the streets.

Americans Abroad

Cautioned in Wake

Of Missile Strikes

Gerhard Schroeder, Mr. Kohl's Somore than 15 hours after the raids were cial Democratic rival in the national announced Thursday. election next month, also expressed sup-port for the air strikes and said he assumed that Mr. Clinton's decision was made on the basis of firm evidence that Afghanistan and Sudan, adding that he the targets were justified. "I think when you look at the basis of his decision, you have to understand that a world power like America can't simply accept such a terrible scale of terrorist attacks," he

■ French Are Tepid, but Blair Isn't

France on Friday voiced support for U.S. strikes in Afghanistan and Sudan, but its backing came later and sounded cooler than that of other major U.S.

ceive an official protest over the "pre-

sumption" that the missiles launched into Afghanistan, where the target was alleged terrorist training camps, flew

through Pakistan air space without per-

mission. Whether the Pakistan govern-

that one of the cruise missiles had gone

astray, landing in Pakistan and killing

ment gave that permission is in dispute.

The government also lodged a protest

The American missile attack on

Thursday night was aimed a training

complex run by Osama bin Laden, who

U.S. officials have charged was the mas-

termind behind the bombings of the

American embassies in Kenya and Tan-

day, the United States launched a missile

barrage on a chemical weapons factory in Sudan, which officials also linked to

Mr. bin Laden.

mia on Aug. 7. Simultaneously Thurs-

U.S. authorities who carried out yes terday's bombings and invoked the right to legitimate self-defense recognized by

international law," a Foreign Ministry statement said. Prime Minister Lionel Jospin, meeting with Prime Minister Tony Blair of Britain, told reporters in his southern France conency that he understood that a wounded

France takes note of the decision by

United States had wanted to retaliate.
At his side, Mr. Blair was more forthcoming, saying, "A country like the United States, when its citizens are under attack in this way and when they are at risk, must have the right to defend itself and we support our allies in this The first official reaction was issued

Islamic Clerics, Officials and Ordinary Citizens Condemn Attacks By Douglas Jehl New York Times Service

JERUSALEM - In mosques, on street corners and from some government ministries, many Muslims voiced fury Friday over the American missile strikes in Afghanistan and Sudan and predicted that the assault would beget more violence.

The condemnations came from around the Islamic world and were is-sued by clerics, officials and ordinary

American flags were burned in Libya. Pakistan and on the West Bank, and on this Islamic holy day, calls to prayer Security Council "to take the even in the heart of Jerusalem were priate decision against terrorism. followed by angry inveighing against
what was being called "aggression on estimian politicians on the West Bank

our Muslim brothers.'

"We ask God to foil the Americans' evil plans," Youssef Abu Sneinah, an imam of the historic Al-Aqsa Mosque, declared in a Friday address to some 30,000 worshippers at midday services inside the walled Old City.

For their part, most Arab and Muslim governments remained silent or equivocal about their views on the missile strikes. Jordan said it had reserved judgment about the operation; Egypt, the United States' most important ally in the region, issued a statement that made no mention of the American attack but called instead on the United Nations Security Council "to take the appro-

joined in denouncing the attacks as examples of American arrogance. And any Arab or Muslim leader who might have sympathized with the American action was bound to have had second thoughts Friday after hearing outrage from the

streets.

'Those stupid Americans; they should find a peaceful way to solve the problem of terror," said Ahmed Makram, an Egypt Air steward in Cairo voicing the kind of complaint that could be heard around the Islamic world. What they are doing now is just pouring oil on the fire, and of course, more wars and terror attacks are ahead as long as they do not change their policy."

The most violent response to the American raids was reported in Sudan, where a suspected chemical weapons factory on the outskirts of the capital, Khartoum, was the target of one set of Thursday's missile strikes. An angry mob in Khartoum retaliated Friday by stoning the deserted U.S. Embassy.

But their loud protests also echoed outside a United States Information Service center in Islamabad, the Pakistan capital. In the Libyan capital of Tripoli an American flag was burned at a rally whose participants included the country's leader, Colonel Moammar Gadhafi, who was himself the target of an American air attack in 1986.

In Iran, cries of "Death to America" rose up from morning prayers at Tehran University, where a senior Iranian cleric, Ayatollah Ahmad Jannati, accused Washington of "waging a war against

And in Palestinian-ruled areas of Gaza and the West Bank, demonstrations organized to commemorate an attack nearly three decades ago on the Al-Aqsa Mosque suddenly assumed a more urgent focus.

In Gaza, Sheikh Ahmed Yassin, the spiritual leader of the militant Islamic group Hamas, told a rally that "the one who sows, reaps, and America will reap the harvest of its aggression." And in the West Bank town of Nablus, more angry protests were kindled by a particularly fiery Friday prayer sermon in a local mosque. At least 500 people who gathered outside cheered two masked youths who burned American flags, jeered President Bill Clinton and even chanted praise for Osama bin Laden, whose alleged terrorist network was the target of the American missile strikes. 'Clinton, be patient, or bin Laden will

dig your grave!" they said. Elsewhere in the Middle East, the leaders of other militant Islamic groups issued warnings that were similarly dark.

In Lebanon, a spokesman for the Iranian-backed Hezbollah predicted that the strikes would incite more attacks on American interests around the world. And that sentiment was echoed from Egypt, where Mustafa Mashour, the leader of the outlawed but influential Muslim Brotherhood, said the effect of the American operation would be to "cause more hatred against America and ignite the flame and instability in the region.'

The statements were particularly stark many Arab governments, including most of those that took part in an emergency anti-terrorism summit meeting that Mr. Clinton convened after a rash of suicide bombings in Israel in early 1996.

At that meeting, the leaders of Egypt, Jordan and the Palestinians, along with senior officials from Saudi Arabia and other parts of the Arab world, joined Mr. Clinton and Prime Minister Benjamin Netanyahu of Israel in a joint declaration in which all vowed to work together in battling terrorism around the world.

Those Arab governments have since been outspoken in condemning acts of terrorism around the world, whoever the target. Many have long employed ruthless tactics in their own struggles against terrorism. But most have also kept a careful ear to public opinion, and they have remained wary about endorsing harsh action by the United States or Israel.



Angry Pakistani students protesting in Islamabad on Friday over the missile strike in neighboring Afghanistan.

and appeared to be aimed primarily for

On the streets of the capital, and in other cities around the country, conacross class and political lines. There were small demonstrations here and in the country's other major cities, but no reported casualties. Many of the demonstrations began after Friday prayers and there was the obligatory burning of the American flag for the cameras.

Pakistan government gave permission for the missiles to fly over Pakistan on their way to Afghanistan. It has been reported that such permission had been

The Pakistani government was engaged in a delicate balancing act Priday, between not being too harsh on the The Foreign Ministry categorically United States, an important ally, but not denied Friday that it had given perseeming too soft, lest it fuel the anger of mission or been asked for it.

which are capable of putting tens of from countries closely allied with the Pakistan, thousands of protesters on the streets.

Untied States, sided with the Pakistani raged." Non-American diplomats said the version One said that American officials

Pakistani protests over the attack were had told foreign diplomats in a briefing not as strong as they might have been that the United States had not sought permission to fly over Pakistan, and that Pakistan had not been notified of the attack until the missiles were in the air.

These diplomats also said that the demnation of the American attack was Pakistani protests against the American widespread, if not universal, cutting attack were not as strong as they appeared or might have been. For example, one noted, Pakistan could register a complaint with the UN Security Council over the alleged violation of the air space. Pakistan has given no indication that it intends to do so.

"If I were the Americans, I wouldn't One volatile issue here is whether the be feeling too sore," he said. "I'd be thinking they could have hammered us a lot harder than this."

In a statement released to the public, Pakistan's foreign minister, Sartaj Aziz, said, "Irrespective of the motives of a hero. It is not because people here are these strikes, the act of violation of the anti-American or approve of his terrorist sovereignty and territorial integrity of acts. It is rather that they know him as a these Islamic countries cannot but be a hero of the Afghan resistance against the who justifiably feel out- convinced he is a terrorist.

"Is he really involved? I think not," In spite of the condemnation, the said Tanweer Hussain, 52, a doctor. SUDAN ERITREA

spokesman for the Foreign Ministry,

Tariq Altaf, told a press conference that

Pakistan would continue to cooperate

with the United States in the investi-

gation of the bombings of the American

been arrested so far was caught in

Pakistan as he tried to enter the country

During interrogation, the man, Mo-

hammed Saddiq Odeh, confessed to a

role in the bombing in Kenya and said

that Mr. bin Laden was the mastermind,

Kenyans, who promptly made him avail-

able to the FBI, something that Pakistan

The Pakistanis turned him over to the

To many in Pakistan, Mr. bin Laden is

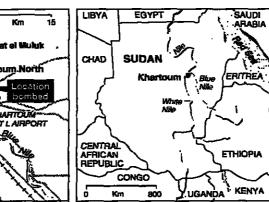
according to Pakistani officials.

could never have done directly.

The only known perpetrator to have

embassies in Kenya and Tanzania.

with a false passport.



Foreigners Flee Kabul or Hide As Crowds Chant Against U.S.

Afghans converged on the deserted American Embassy on Friday, protesting the U.S. missile attack against what Washington described as terrorist training facilities.

Foreigners fled the capital or went into hiding after two United Nations staff workers were shot and wounded. Taleban militia leaders urged their

supporters to march on the embassy compound after Friday prayers at mosques across the city and vowed to defend their country against attacks. At least 5,000 were estimated to have gathered, chanting, "Death to America!" "Death to Iran!" "Long live Afghanistan!" and "Long Live Islam!"

Frightened foreigners avoided the streets of Kabul after the missile attacks during the night.
At least 26 people were killed by the

cruise missiles, according to Afghan

The handful of remaining foreigners stayed behind closed doors, fearful of how the Taleban militia would react after the missile barrage was unleashed on targets south of the city.

Agence France-Presse

A Taleban official addressing the KABUL — Thousands of chanting crowd at the embassy likened the U.S. folians converged on the december of the crowd at the embassy likened the U.S. missile attack to the invasion of Afghanistan by the Soviet Union in 1979, which led to a long war.

"We will defend Afghanistan!" he declared to the crowd. Some demonstrators attempted to

scale the walls of the embassy, which has been empty for several years, but armed Taleban units pushed them back. The crowd continued to swell through the afternoon as prayers ended at

Sermons by Islamic leaders condemned the missile attack on training camps said to be run by an exiled Saudi millionaire, Osama bin Laden, who is a prime suspect in the Aug. 7 bombings of U.S. embassies in Kenya and Tanzania.

In the eastern Afghan city of Jalalabad, thousands of demonstrators protesting the missile strikes ransacked a UN office, the Afghan Islamic Press agency said.

The Peshawar-based agency said Taleban security forces tried but failed to stop the mob. But they were able to evacuate the UN employees safely, according to the Jalalabad governor, Saddar Azam.

Earlier, a UN transport plane that came in from Islamabad, Pakistan, left Kabul after picking up 10 foreigners, one of them reported to be a French national, one of the two UN men wounded early in the day.

The French citizen said he had been hit as he traveled with other officials through the city in a minibus that came under gunfire.

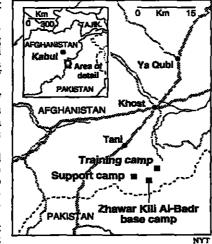
An Italian who was wounded in the

shooting was believed to be in a Kabul hospital. Both were working for the United Nations Special Mission for Afghan-

Only about 40 foreigners were still in the city after the Taleban forced out employees with nongovernmental organizations last month.

Most of the city, captured by the Tale-ban in September 1996, was asleep when President Bill Clinton announced the attack on targets in Afghanistan and a suspected chemical weapons-related facility in Sudan.

The strikes were aimed at groups linked to Mr. bin Laden, who, Mr. Clinton charged Thursday, had played a key



SUDA

left 257 dead and thousands injured. But the reclusive head of the Taleban, Mullah Mohammed Omar, again denied that Mr. bin Laden had been involved in the bombings and he vowed not to hand him over to U.S. authorities. In the Taleban power base of Kanda-har, about 8,000 imbaned and bearded

demonstrators chanting "Death to America!" paraded through the streets. The marchers dispersed after a meeting marked by fiery exclamations of hatred against the United States and Iran.

At times they shouted against Russia. The rally warned the United States against continuing its "aggression" against Afghanistan and vowed to defend the Saudi dissident who took asylum in Afghanistan.

All markets and shops were closed in Kandahar. In a statement released to a group of

Pakistani journalists, Mullah Omar said the United States had committed an outrage against the entire Muslim world "unfounded" allegations against

Sudan Recalls Its Diplomats And Vows America Will Pay

The Associated Press

KHARTOUM, Sudan - Sudan recalled its diplomats from Washington on Friday to protest the U.S. missile strike on a factory in the Sudanese capital a day

After an emergency meeting with his cabinet, the president of Sudan, Lieutenant General Omar Hassan Ahmad Bashir, also announced that his country would file complaints with the United Nations, the Arab League and the Organization of African Unity.

He said Sudan could "prove that the factory is specifically for pharmaceutical production" and not a chemical weapons facility, as U.S. officials have asserted. General Bashir later spoke at a rally

outside his office as people chanted "Down, Down USA!" and burned an American flag.

The number of casualties in the missile strike was unclear. Hospital officials in Khartoum said 10 people were being treated for injuries, including four who were in critical condition. But workers at the factory site said there was concern that

some victims could be buried in the rubble. They said that the factory jamitor and his family had not been accounted for. Sidahmed Hajj Hamad, the administrative director at the factory, estimated the damage at \$100 million.

General Bashir said the factory, belonging to El-Shifa Pharmaceunical Industries Co., had been hit by six Tomahawk cruise missiles. A seventh missile missed, he said. He did not indicate

whether it had caused any damage. State-run television said that the factory, which was opened in 1996, produced about half of the country's medi-factory?"

cines and that its main products were antibiotics and drugs to treat malaria and tuberculosis.

The government asserted that President Bill Clinton had approved the attack to divert public attention from the grand jury investigation into his dealings with Monica Lewinsky.

A statement issued by the Sudanese Embassy in Nairobi said that "the timing was chosen to serve the wish of a sexual pervert and maniac to divert attention away from his crumbling credibility and reputation."

General Bashir said, "Clinton and America will have to pay," adding that "Sudan is for Islam, and we will not be bullied by Americans."

He pledged to "pursue all diplomatic channels" over the missile attack but also said the government was "opening all training camps" for volunteers for the national militia

Overnight, Sudanese demonstrators stormed the empty U.S. Embassy compound in Khartoum and pulled down the

American flag to protest the attack.
The U.S. State Department ordered local staff to leave the embassy after the bombings on Aug. 7 of American em-bassies in Nairobi and Dar es Salaam, Tanzania. American diplomats were

pulled out of Khartourn in 1996.

"Are these people crazy?" woman who worked at the factory asked. referring to the planners of the attack. "Do you think this is really a weapons

State Department advisory issued Thursday on Americans traveling or living abroad: In light of the recent U.S. military strikes against terrorist targets in

Following are excerpts from a

New York Times Service

Afghanistan and Stidan, and possible threats to Americans and U.S. interests overseas, the Department of State urges U.S. citizens traveling or residing abroad to review their security practices, to remain alert to the changing situation, and to exercise much greater caution than usual.

Large crowds and other situations in which anti-American sentiments may be expressed should be avoided. U.S. diplomatic posts worldwide are taking appropriate security precantions. American citizens traveling

U.S. embassy or consulate by telephone or fax for up-to-date information on security conditions.

abroad should contact the nearest

By James C. McKinley Jr.
New York Times Service NAIROBI — After ordering missile attacks against targets in Afghanistan and Sudan on Thursday, President Bill Clinton said the United States had firm evidence that earlier terrorist bombings of two U.S. embassies in East Africa were the work of an exiled Saudi millionaire and Islamic militant, Osama bin

But the head of the Federal Bureau of Investigation said Friday that his agents still had a long way to go before putting together a conspiracy case that would

hold up in an American court. "We are still in a fairly preliminary stage," the director, Louis Freeh, said at a news conference just before boarding a plane to Washington. Mr. Freeh declined to answer ques-

tions about evidence agents had col-lected in the investigation that would link the plotters to Mr. bin Laden. Nor would be talk about the statements the main suspect in custody. Mo-

U.S. Seeks Proof on Saudi's Role hammed Siddiq Odeh, has made to FBI agents and the Kenyan police about the

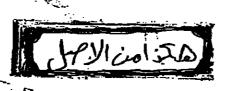
embassy bombings. Sheila Horan, the special agent in charge of the investigation, said Mr. Odeh still had not admitted to U.S. authorities that he took part in the Aug. 7 bombings, which killed more than 250 people here and in Dar es Salaam, Tanzania, Nor has be implicated others, she

Mr. Freeh said forensic evidence had been found suggesting the two vehicle bombs, which detonated within minutes of each other, might have been constructed of the same materials.

FBI officials refused to comment on an unconfirmed report in a local newspaper that said three witnesses had picked a second suspect out of a police ine-up, fingering him as the man who threw a grenade at security guards mauning a barrier behind the U.S. Embassy, just seconds before the bomb exploded.

The suspect was identified by The

Nation newspaper as Khalid Mohammed. No other details were given. role in the embassy bombings that



EDITORIALS/OPINION

The U.S. Attacks

Credible Evidence

The United States has every right to attack suspected terrorists if there is credible evidence showing that they were involved in attacks against U.S. citizens or were planning such attacks. That seems to be the case in the missile attacks ordered by President Bill Clinton in Sudan and Afghanistan, an impression strengthened by quick sup-port from the House speaker, Newt Gingrich, Senator Orrin Hatch and other leading Republicans. But since those attacks were ordered from a White House weakened by scandal, Mr. Clinton needs to take extra care to reassure the United States that the attacks were not timed to help repair his shaken presidency.

Intelligence officials reported Thursday that they had collected convincing information from numerous sources that the terrorist organization of Osama bin Laden was responsible for the deadly truck bombings of the U.S. embassies in Kenya and Tanzania earlier this month. Mr. bin Laden is a Saudi multimillionaire reportedly turned terrorist who has openly threatened to attack Americans anywhere in the world.

The Pentagon's selection of targets looks reasonable. One of the sites was described by General Henry Shelton, chairman of the Joint Chiefs of Staff, as a terrorist training camp in Afghanistan operated by Mr. bin Laden. He said the other target was a factory in Khartoum, the Sudanese capital, that was used to

make chemicals for nerve gas.
Intelligence officials said Mr. bin Laden had subsidized Sudan's chem-

ical weapons program.

Though the U.S. raids came only three days after Mr. Clinton addressed the nation and testified to a grand jury about the Monica Lewinsky case, Pen-tagon officials said the timing had been

Right to Fight Back

The United States was correct to send its military forces into action against terrorist bases in Afghanistan and Sudan Thursday. The bombings two weeks ago of U.S. embassies in Kenya and Tanzania that killed more than 250 people and wounded thousands were an act of war. This is not the kind of war many Americans grew up with, but it is war nonetheless. The United States has not only a right but, as Defense Secretary William Cohen said, an obligation to fight back.

In fashioning a response to terrorism, which by definition is conducted from the shadows, the United States always will face the question of what threshold of evidence must be crossed before a counterattack is justified.

Americans above all must take care not to lash out without cause. Yet it will not always be possible to build a foolproof and public case. When the evidence is compelling and the imminent threat to Americans real, as Mr. Cohen said it was in this case, terrorists must know they have no sanctuary.

Congress will have a role to play in checking and weighing the administration's case, in secret if necessary. But already the House speaker, Newt Gingrich, has said that, having been well briefed during the past two weeks, he believed the attack was "the right thing to do at the right time."

Certainly, Osama bin Laden, the Saudi millionaire turned terror-master whose network was the object of Thursday's attack, has made no secret of his goals and methods. He has openly declared war on Americans and on Jews. "We do not distinguish between those dressed in military uniforms and civilians," he has said.

'You will leave when the bodies of American soldiers and civilians are sent in the wooden boxes and coffins. That is when you will leave."

Mr. bin Laden is believed to com-mand a network of 3,000 fighters, who he claims attacked American soldiers attempting to relieve famine in Somalia in 1993. His followers have claimed credit for the 1995 Riyadh bombing that killed seven, and he is suspected in the 1993 World Trade Center bombing in New York and the 1996 Khobar Towers bombing that killed 19 U.S. servicemen in Saudi Arabia.

A few Republicans on Thursday questioned whether President Bill Clinton had ordered the attack to distract from his personal and legal troubles. But there is no possibility that Mr. Cohen or

dictated by the threat that the bin Laden network might strike Americans again within days. If so, that would also justify the quick U.S. action.

Retaliating against terrorists may invite further terrorism, but effective military strikes can at least temporarily hinder training and planning by ter-rorist groups. Certainly U.S. inaction in the face of hard evidence of terrorist activities would be irresponsible.

But combating terrorism should not be an excuse for cloaking U.S. military actions in secrecy, as Pentagon of-ficials tried to do Thursday. To sustain public support for anti-terrorist actions, the administration needs to tell Americans as much as possible about how the raids were conducted and whether there were civilian casualties.

President Clinton and his national security team seemed at pains Thursday to demonstrate that he had not unleashed U.S. power to deflect attention from the Lewinsky case. Mr. Clinton pointedly noted that he had ordered the attacks on the unanimous recommendation of his aides. Samuel Berger, the national security adviser, reported that military planning had begun on Aug. 12 and that Mr. Clinton had authorized preparations for the attack last Friday.

Those accounts were reassuring. Still, the picture of Mr. Clinton striding purposefully back into the White House Thursday as commander in chief could not help but supplant the image of an emotionally wounded first family departing for a vacation on

Tuesday.
Mr. Clinton can dispel any lingering doubts about his motivation by providing the House and Senate intelligence committees with a complete briefing on the bin Laden information and instructing his aides to fill out the partial accounts they have given about

—THE NEW YORK TIMES.

General Henry Shelton, chairman of the Joint Chiefs of Staff, would order U.S. forces into action if they were not convinced of the necessity. As Senator Jesse Helms, Republican chairman of the Senate Armed Services Committee, said Thursday, "Sooner or later terrorists will realize that America's differences end at the water's edge, and that the United States' political leadership always has, and always will, stand united in the face of international terrorism."

So Mr. Clinton has taken the right step. But it is important to understand that this is only one step. Whatever the immediate effects of this one-time strike, there is a danger that the terrorists will retaliate. Experience has shown that the risks of such retaliation are more bearable than the risks involved in doing nothing to defend America's interests. But the risks are real, and they mean that the United States cannot expect one battle to end this war.

"This is an organization dedicated to killing Americans," Mr. Gingrich said. "We have an obligation to hit them, and if necessary to keep hitting them, until they lose all of their ability to hurt Americans.

- THE WASHINGTON POST.

Other Comment

Clinton's Gamble

Straight after his testimony to the grand jury in the matter of Monica Lewinsky, Bill Clinton took a gamble. It may turn out to be the biggest gamble of his career.

He gambled that being found to have told lies about a sexual fling does not merit a real apology. He assumed that Americans believe his private behavior is his own business and nobody else's. And he presumed that the independent counsel, Kenneth Starr, has nothing more substantial to pin on him. Thank you for watching, and good night.

Mr. Clinton spent his fiercest moments defending his right to a private life and lambasting Mr. Starr for his "prying" and "personal destruc-

This was no Richard Nixon, hunched and gray, trying to hold back the almost palpable hatred of the public; it was a vigorous and defiant performance. But what Mr. Clinton said was not good enough, and it will not be the end of the tale.

-The Economist (London).

Herald Cribune

ESTABLISHED 1887 KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen of the Board

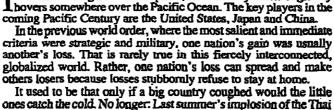
PETER C. GOLDMARK JR., Chairman and Chief Executive Officer RICHARD WOOLDRIDGE, President and Chief Operating Officer MICHAEL GETLER, Executive Editor

• WALTER WELLS, Manusing Editor • PAUL HORVITZ, Deputy Managing Editor KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors → SAMUEL ABT and CARL GEWIRTZ Associate Editors . ROBERT J. DONAHUE, Editor of the Editorial Pages JONATHAN GAGE, Business and Finance Editor

 RENÉ BONDY, Senior Vice President and Chief Financial Officer DIDIER BRUN, Circulation and Development Director
 STEPHEN DUNBAR-JOHNSON, Advertising Director Directeur de la Publication: Peter C. Goldmark Jr.

Insernational Berald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38. Internet address: http://www.ibl.com E-Mail: ibi@ibl.com

Editor for Asia: Michael Richardson, 5 Camerbury Rd., Singapore 119000 Tel. (65) 472-7768. Fax: (65) 274-2334
Mag. Dir Asia, Terry Damer, 91201, 191 Java Road, Hong Kong, Tel. 852-2922-1188. Fax: 852-2922-1190
Gen. Mgr. Germony: T. Schline, Friedricher: 15.6823 Frankfurtht. Tel. +49 6997/1250-0. Fax: +49 6997/1250-20
Pres. U.S.: Ann Blinkhorn. 850 Tund Ave., New. York, N.Y. 10022, Tel. (212) 752-3890 Fax: (212) 758-8785
U.S.: Advertising Office: 63 Long Acre, London WC2: Tel. (171) 839-4802. Fax: (212) 753-8785
S.A.S.: ou capital de 1.200.000 F. RCS Nanterre B 732021126 Commission Partitaire No. 61337
G1998, International Herakil Tribune. All rights reserves: 1356-1654-5052.



Big Three in the Pacific Region

It used to be that only if a big country coughed would the little ones catch the cold. No longer: Last summer's implosion of the Thai baht wound up despoiling the entire region. And the ripples from Thailand, with an economy a mere slice that of Japan's, became the

IN THE current global marketplace, the monetary center of gravity

historic triggering element for the current world anxiety. Forget any wish to put the globalism genie back in the bottle. Even if we tried we could not contain this powerful technological and market force.

There is another problem. Once the Asian financial recovery comes, China and Japan will resume their relentless growth. Even in today's troubled times, both continue to hold tremendous foreign currency reserves and trade surpluses. We Americans need to put aside our sense of superiority and accept that, over time, the predictable U.S. economic decline relative to these two Pacific Rim giants mandates that we invent ways of deepening and strengthening the triangular relationship.

Wise American policy would not beat a retreat back to the cocoon of the West but would instead reach out across the Pacific. For now more than ever, Asia needs our help, just as some day we will need Asia's. Don't forget that the United States remains the biggest debtor country overall. We still do not save enough to ensure an adequate cushion should our now-thriving economy sputter and fail. What's to say it won't? And note carefully that our biggest creditors are the Japanese: Might it be prudent to avoid addressing them in arrogant tones?

President Bill Clinton's efforts to improve U.S.-China relations and his decision to put on the back burner the recourse to economic sanctions have opened the door to the possibility of an Asia-Pacific triangle for progress. America's newfound tolerance of China may pave the way for

an enduring Pacific relationship, as long as the Washington-Beijing link does not unnerve Tokyo. U.S. diplomacy must draft a careful plan of Big Three cooperation. Washington, Beijing and Tokyo need to form the irreducible core of a new Pacific Concert, a kind of nonmilitary NATO.

-Tom Plate, commenting in the Los Angeles Times.

It's Time to Recognize That Milosevic Is the Problem

SARAJEVO, Bosnia-Herzegovina
— It's déjà vu all over again: ethnic violence in the former Yugoslavia. streams of refugees fleeing the fighting and a procession of diplomats beating a path to the door of Slobodan Milosevic, the Yugoslav president and butcher of

More than seven years after the beginning of the wars of Yugoslav dissolution, it seems that the international approach to the conflict has not changed one iota. No statesman is prepared to accept the political risk involved in tackling the root of the problem.

Instead, international envoys shuttle between their capitals and Belgrade, hoping that despite his record, despite the benefits he personally reaps from the fighting, indeed despite all logic, Mr. Milosevic will provide a solution.

Maybe 1998's crop of mediators missed the events of the past decade in the Balkans. If so, a brief recap of some

of the highlights, including how Mr. Milosevic acquired his nickname, may be of some belp.

Mr. Milosevic came to absolute ower in Serbia in 1987. At the time, living standards there, as in the rest of Yugoslavia, were spiraling downward, prospects of recovery within the existing system were bleak and Mr. Milosevic promised a Serb renaissance. Moreover, in 1988 and 1989 he appeared to deliver as he forcibly extended Serbia's authority over Vojvodina, Montenegro and Kosovo.

By Christopher Bennett

Soon, however, Mr. Milosevic's promises began to ring hollow as the economy continued its downward course. In fact, he had succeeded only in mposing Serbian ethnic rule on some

of the country's non-Serb populations. It was not exactly a recipe for long-term stability, just the Milosevic ap-proach to problem-solving — resolving one crisis by manufacturing another, inevitably greater, to divert attention from the first.

On March 9, 1991, frustration within Serbia boiled over and Belgrade rose against Mr. Milosevic. Indeed, the first person to be killed by the Yugoslav Army in the year that full-scale hostilities broke out in the former Yugoslavia was not a Slovene, not a Croat, not a Bosnian Muslim but a Serb student caught among the anti-Milosevic protesters that day.

Within the month one Serb and one Croat had been killed in ethnic violence in Croatia, the inexorable descent into war had begun — and Mr. Milosevic was off the hook at home.

Wars in Slovenia, Croatia and then Bosnia successfully diverted attention from the shortcomings of Mr. Milosevic's rule in Serbia, but these were wars that Serbia and Serbs in general could only lose. Indeed, when the tide of battle turned and it became clear that further fighting could only harm his

to advocate peace.

But this was not before massive atrocities had been committed and more than 2 million people had been displaced. In December 1992, Mr. Milosevic was named a war criminal by U.S. Secretary of State Lawrence

For Mr. Milosevic, power and his own political survival are alpha and omega. Moreover, his survival has depended and continues to depend on conflict. A prolonged period of peace is too revealing a state of affairs, for it gives ordinary people the time to take stock and to work out the scale of their

Not so long ago, in the winter of 1996-1997, Belgrade challenged Mr. Milosevic's rule with daily demonstrations. Tens of thousands of people took

That's over. Now Serbs again stand nnited, this time in the struggle against "Albanian terrorism," with Mr. Milosevic at the head of yet another national crusade. It is just not in his interest to halt the war, not now, not

while he is winning.

The tragedy is that many thousands more Albanians and Serbs will be forced to flee the fighting. Though both peoples have legitimate interests in Kosovo, prospects of a settlement that would reconcile those interests recede with each day and every additional casualty.
The tragedy does not end there. The

position, Mr. Milosevic changed tack war in Kosovo cannot be isolated, and Mr. Milosevic still has other crises to manufacture in the region.

As fighting escalates in Kosovo, neighboring Macedonia moves inexorably closer to the brink. The fragile consensus between that country's Albanians, who make up at least 23 percent of the population, and the Macedonian majority is now unraveling as Albanians empathize with their ethnic kin and Macedonians support the Serbian position.

Moreover, the stability of Albania, too, is under threat, with the north of the country increasingly beyond Tirana's control and former President Sali Berisha attempting to resurrect his career on the back of the Kosovo conflict.

Meanwhile, in Yugoslavia itself, Mr. Milosevic still has a Pandora's box of unresolved national questions to open whenever his needs so dictate questions on the predominantly Muslim Sandzak region, on Monte-negro and on Vojvodina.

Unless the international community finally wakes up and recognizes that Mr. Milosevic himself is the problem and not the solution, it will be cleaning up after him for years.

The writer is the director of the International Crisis Group's Balkans project and the author of "Yugoslavia's Bloody Collapse." He contributed this comment to the International Herald

America Needs to End Its Outdated Embargo of Cuba

By Flora Lewis

LTOLETOWN, Barbados T1Cuba's President Fidel Castro was here recently as part of his courtship swing through the Caribbean. Apart from a few grumbling letters to the editor in the local paper, he was warmly welcomed. Prime Min-ister Owen Arthur even compared Cuba's regional role to China's global role, much too This is due to the collapse of

important a market to try to isolate and therefore well worth cultivating.

A decade ago this reaction
was scarcely imaginable. Barbados was one of the Caribbean countries that applauded the U.S. invasion of Grenada, not because of President Ronald Reagan's flimsy pretext of protecting American students but because of real fears of Cuban

backed by military force. Like most of the island states in the region, Barbados was defenseless. A few hundred Cuban troops could have easily overwhelmed it. So the clear warning by the United States that it would not allow such Cuban expansion came as a relief to people here.

attempts to export revolution

Mr. Castro has not made such dramatic changes in domestic

still a determined Communist revolutionary. But nobody is afraid of Cuba anymore. Even the Pentagon has ruled that Cuba no longer poses any kind

the Soviet Union, not only as the military and economic guarantor of Mr. Castro's regime but also as an ideological model. There are still some Marxists around the region, but there is no chance of their com-

ing to power.
So Mr. Castro's effort to end his country's isolation and become a full member of the economic, political and cultural neighborhood is receiving an eager response.

The Caribbean is made up of of provoking Mr. Castro's mostly very small countries, downfall has obviously failed. proudly independent but quite The embargo has only inflicted aware of the need to combine serious hardship on the Cuban their negotiating strength if they are to have any weight in the world.

There is already strong support for getting Cuba accepted as a member of the Lomé agreement, which provides preferen-

policy as Deng Xiaoping and tial tariffs in the European Unhis successor did in China. He is ion for what are called ACP countries.

> These are former European colonies in Africa, the Caribbean and the Pacific whose trade patterns would have been devastated by independence without some special treatment. Cuba has not been a colony in this century, but it seems natural for it to have equal status and

full regional ties. The problem, of course, is the United States and its rigid anti-Castro policy, which it attempts to impose on third countries.

Nobody, outside of some (but not all) Cuban exiles based in Miami and diehards in Washington, sees any point to the continued embargo on Cuba. After nearly 40 years, the aim

people and prevented any Cuban contribution to regional development

The American policy brings resentment and ridicule from the rest of the area. It is widely understood that the policy has become almost entirely a matter of domestic politics - fear of the rabidly anti-Castro Cuban lobby, particularly in the electorally influential states of Florida and New Jersey.

It is easy to compare this policy sarcastically with America's 'constructive engagement" with Communist China, and to suggest that this inconsistency is the disdain of a big power for a much smaller one. There is no longer much question about whether Mr.

Castro, who just turned 72, will disappear fairly soon and whether his regime will disappear with him. The questions are when and how.

In a normal course of events, internal evolutionary pressures would produce some kind of 'velvet revolution,'' 28 happened in Eastern Europe, and the successor regime would

inside Cuba. This kind of peaceful, homegrown transition would Cubans, and of the United

States as well. But there are grounds to suspect that this is just what the exile lobby does not want, since

it would almost surely preclude its members' return to power on the island. A change involving violence, drawing in the United States, would better suit the exile lobby's ambitions.

That is all the more reason why the United States should change its policy now, cancel the embargo and encourage contacts with the Cuban population. That would have a lot of influence in helping Cuba find. its way to democracy and regional integration.

Further, there is considerable evidence that the U.S. electorate, including quite a lot of Cuban immigrants, would greet the change with relief, as Americans did when President Richard Nixon finally reopened exlobby still has a lot of bank but? not much political bite.

and the successor regime would be drawn from critical groups ton end the embargo? Two rea-; sons. One is inertia, the awful time it takes for political myth to catch up with reality. The other clearly be in the best interests of can be called Monica Lewinsky. a beleaguered president feelingunable to take this bold initi-2 ative. But the sooner the policy is changed the better.

Flora Lewis.

Asian Crisis Provides an Opening to Tackle Corruption.

The Asian Development

more than a country's total for-

HONOLULU—If there is a silver lining to the dark clouds of Asia's financial crisis By Robert G. Lees ating a honeycomb of added estimates, as much as 30 percent to the cost.

it might well turn out to be an invigorated commitment to fighting corruption. The inten-sity of hardship caused by the crisis seems to have reduced the level of tolerance for the economic costs and inefficiencies imposed by graft.

Most diagnoses of the crisis point to corruption as a primary culprit and to its eradication as a key remedy.

Corruption is an insidious virus that infects, to varying degrees, every nation in the world. eats away at the structural foundations of economies, crecosts throughout the entire busi-

ness environment. When the outcomes of business transactions are being ruption can cost governments as ence-peddling and favoritism, rather than by sound business decisions and market forces, the entire economy pays

society - laborer and business owner, public official and citizen. It acts very much like a tax on public projects, adding, according to some

determined by bribery, influmuch as 50 percent of their tax revenues and can amount to

a price. Corruption exacts a heavy penalty on every segment of

Given the precarious fiscal position of many governments in Asia, such huge added costs are unacceptable. Economies can only, and will only, fulfill their potential when openness

eign debt.

and transparency are para-Corruption has an ugly byproduct. Where it is tol or - worse - encouraged, human rights abuses seem to thrive as well. Such societies are plagued by secrecy, manipulation and outright lying. Cynicism flourishes, public trust evaporates and fundamental rights are all too frequently ig-

At a time when foreign investment is more critical than ever for Asia, the malign influence of graft can kill any venture before it gets off the ground. It can poison the investment climate for years to come — just ask any business person who has been victimized by comuption.

The senior corporate executives represented in the Pacific MADRID - Much anxiety is Basin Économic Conneil recently adopted a charter on standards for transactions between business and government. It aims to eliminate corruption from all transactions by promoting integrity, transparency and accountability in transactions between companies and public bodies.

Its provisions cover, among other things, respect for laws and standards, prohibition of improper inducements, financial recording and auditing responsibilities and political contributions. The council also called on

governments to redouble their efforts to ensure complete integrity, transparency and accountability in all businessgovernment transactions, By upgrading its previous

statement on transparency to

the status of charter, the council

has re-emphasized what it believes is the strong link between good governance and economic growth and the need for prompt and effective action.

The U.S. government and Bank has calculated that cormany other governments around the Pacific region seem eager to work with business in the battle against corruption. This type of partnership is essential if the scourge of cor-ruption is to be effectively attacked. Neither side can do it alone.

> Many other prominent organizations are also active in and that firm action must be the fight. The Organization for Economic Cooperation and Development has ratified its Convention on Combating Bribery of Foreign Public Officials. The Pacific Basin Economic Council has urged all governments in the region to sign, ratify and implement this agreement as

early as possible.
The Asian Development Bank recently approved an antisystematic, widespread corruption inflict on economies in the Asia-Pacific region. The Organization of American States is also active, concluding the Inter-American Convention Against Corruption.

Business leaders must campaign for an Asia-Pacific culture in which it is impossible for corruption to exist. Partly as a result of the Asian financial crisis, the chances of achieving a regional consensus on this are improving. There is now a widespread and growing recog-nition, both in government and private industry, that the costs of corruption are intolerable?

taken. The crisis can act as a catalyst for business and government to agree on measures to end corruption. If we succeed the region will have taken a major step toward restoring growth, stability and prosperity.

The writer is secretary general of the Pacific Basin Economic Council, an association corruption policy aimed at re-ducing the enormous costs that resenting more than 1,100 companies in 20 nations. He contributed this comment to the

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Vague Protocol

felt with regard to the Philippines. Very little guidance is afforded by the studiously vague terms employed in the Protocol. The words have been carefully examined with the aid of all available dictionaries, not only by Spanish Ministers but also by diplomatic representatives of several foreign Powers, and all seem agreed that, in drafting this part of the Protocol President McKinley's aim was simply to keep a free hand for himself until he had time to collect information and decide what policy the United States

should adopt in the Far East. 1923: U.S. Isolation

WASHINGTON - President Coolidge is convinced that the American policy of isolation regarding Europe is right. Observers in Europe have convinced

the President that nothing is happening there to justify a change in the policy maintained by President Harding. President Coolidge is anxious to see a solution of the European problem and he believes that the settlement of reparation is necessary first of all. Furthermore it is indicated that America would be responsive to an appeal from abroad if made honestly.

1948: Berlin Tensions BERLIN — American military

policemen took up positions op-posite Russian soldiers and keypoints between the Soviet and United States sectors of Berlin after the Russians again pen-etrated the west sectors to kidnap three people and manhandle German and Allied nationals Lieutenant Colonel Kelly, chief of the American military police." said the American border patrols would stay on duty "un-til the simation cools down."

THE INTERMARKET

1 +44 171 420 0348

FRIENDSHIPS

nendships

FANTASTIC CHARMING BEAUTY, German, 34679, slim, broneste, non-smoker, with atyle and class, very elegant, sportive, composition, Trifinguel, soprissicated, very lemines and sary, also romands, with personality, brain and heart. I would like to meet the right rean, 40-59, a very successful entruprecently and character, coencepolitina and genderand, also a family man who knows how to thereat and spoil a real woman, to take care of each other, for sharing a great file of love and most more. Fact. 1449-389-22 33 54 or Box 653, HT, Friedrichskness 15, D-60323 Frankfurtlein, Germany.

ATTRACTIVE English women, currently based in south of France, loves tile based in south of France, lovee the entertaining, meeting people, good conversation, marel and string, invites a warm that benefici established gentleman with source of humounto respond. Would sail someone in need of a puriture with is kin, yet not straid of responsibilities, and used to dealing with people at all levels. Age is not a reel comean, but would probably be most confortable with gentleman in 40x50x. Please reply to lift, Box 671, 32521 Neully Cadex.

ELEMA, +25, ravisining, beautiful blond Russian, green eyes, Bersalure professor, natural, spontaneous, sentimental, generous & enjoys discovering new cultures seaks open man, 3040, who welses to meet big love. MADAME DESACHY. Tel: Peris: 33 (0)1 43 12 33 12.

CHIEF EXECUTIVE OFFICER, since 40 years, 60 years old, single, Anglo Sexon, good looking, distinguished, enjoys opera, travel, tensis, long walks, aviation and rugby, seeks sears owner, who can hught 8 has a zest of fentesy. MADIAME DESACRY 33 (0)1 43 12 33 12.

CLASSY EDUCATED GENTLEMAN-CAUCASIAN, 50, tall, handsome, fl., ho-morous, romanic, seele weelilly, attac-tive forable, with first class lesse, loving, caring, for companionship, mesoce, trav-el & possibly more. Tet 310-475-0870 US

VERY GOOD LOOKING, sophisicated German ledy, light attendent, 42, shin, psporty, seeke attractive, successful gen-tienam up to 53. Please reply to Box 4817, NT. Riedictstrasse 15, D-60323 L FrankfurtMain, Germany.

Since 1975 we arrange marriages...

Meaningful, principally critical, esteemed & advowledged Elite

EXPRESS "FOREVER" (quote) THEIR GRATITUDE!

The second of the second of the

EUROPEAN INDUSTRIALIST in ITALY EUROPEAN INDUSTRIALIST in ITALY

A PICTURESQUE RESIDENCE AT ONE OF THE BEAUTIFUL ITALIAN
LAKES; remandic roman flair, culture pure & casual sophistication is
presented by a very family oriented, yet genuine World Citizent
le seeks a refined cosmopolitan wife with a distinct inclination for
familyfie and accustomed to sophisticated society procedures, an
educated, multilingual woman who enjoys being the centre of his
privacy, willing to leave her coreer for the sales of a fulfilling love
4 marriage! An understating rich person with an interesting
philosophy, mid 40/6'1", slins, appearing more like a men's
model than an intensive worker, HEIR & OWNER of a since
generatious established, international enterprise. Definitely a man
of high selfesteem with no time for affairs but an expressed sense
for faith and dignity as it is the credo of his family. ONLY FOR
MARRIAGE!

Exclusively for you... By appointment daily 11-19hrs

TeL: +49 - 89 - 649-2205

Fax: +49 - 89 - 649-2224

worldwide Eliterum gabriele thiers-bense www MARRIAGE MEDIATION = ...to the best in international society trusting this intensive experience, our unsurpossed niveou & MY EXCLUSIVELY PERSONAL GUIDANCE!

GLOBAL WORLD-ECONOMY LEADER mid 40/6'0" GLOBAL WORLD-ECONOMY LEADER mid 40/6'0"

EXCLUSIVELY RESIDENT IN SWITZERLAND, The PRESIDENT of A FAMOUS WORLD CONCERN, a remarkable, instantly appealing human, handsome, very young in spirits & appearance, elegant, of exceeding intelligence, gentile emotions & carring attention. An unusually transparent person, whose impeccable integrity is as unique as his superior litestyle, residing in a magnificent historical estate, providing everything dreams are made off... He belongs to the most generous, like enjoying men I know, naturally & especially regarding his chosen ONE & ONLY! Present all over the World as Member of the most prestigious ardes, he seeks a brilliant young wife who is just as enraptured by the exciting variety this planet has to offer as he is - his personnel exacutes all his demands, whereas he will realize all of yours... ONLY FOR MARRIAGE!

We will be delighted to receive your call estimann - Str. 5 *

• Germany • 82031 Munich-Grünwald • Otto-Heilmann - Str. 5 • Represented in Paris Berlin the USA Singapore Melbourne

TRAVEL COMPANION. Weeling US investor, 48, seeks bright, attractive, rigis-gent lady, 23-36, to assist Australia 2, Attractive, USS \$0,000 salary + all expenses peid. Fax +31 20 6383171 elits box 23

BLOND AIR HOSTESS seeks business-man for clandestine rendezvous in London 0374 461 4672

We will be delighted to receive your call

Claudia Püschel-Knies Ltd. For 25 yrs. the favorite partnership agency of the world's most select circles. We have established contact amongst the most distinguished clientele: society's best educated and cultured personalities, the business elite and international VIPs.

FRENCH Jewish man, 39, handsome, tall, great job is searching for tall, quiet and romantic women sill troping to fand prince charming to stant a long file love stary. Write to: IHT, Box 662, 92521, Neutly Cedex, France

GORGEOUS & ATTRACTIVE Japanese

24, in Frankfurt seeks generous sugar daddy or wealthy gensemen who can support her francially & emotionally dur-ing her studies. Miyoko 0172-663 8101.

ITC CONSULTANT
International staff of exception
for exacting employers
Tuthisis planates site furgets penaluses
Governess
Tutor Bodyguards
Suffer Master Cher Narray, etc.
Na registration (se. Established ercs 1982
1061 - 435 (0)4 93 90 80 90
Fext. +330(0)4 93 90 55 95

72, in Stringer, 75006 PARIS Subsidiery in CANNES

Nannies & Nurses

WE SPECIALISE IN THE PLACEMENT OF EXPERIENCED & QUALIFIED

Berlim - New York. Paris - Rome... A most outstanding man of the world - Duice of...

A man whose background and international prestige speak for themselves...

A man of homeristic values and very much into the asts - contribing (international) because with pleasure, loves the power, colors and social 86 of the 15g Applet. It stokes visit in Florina, as well as the teach who the six-six familiars and people isociation in the Assembly of the six-six familiars and an appropriate property of the six familiars and an appropriate property of the six-six familiars and an appropriate property of the six familiars and an appropriate property of the s

Does that appeal to you? Please call us for an appointment daily from 3 to 7 p.m., also Sat/Sun, Central Fax (0049) 89-29168079

Head offices - Europe, Germany: Frankfurt, T(0049) 69-24277154 or Berlin, T(0049) 30-88550531 or Düsseldorf, T(0049) 211-323357 or Munich, T(0049) 89-29165427

MEETING POINT

Meeting Point

A MAGRICAL MEETING? Vivacious, pret-by and very youthful Lady (48) would like to meet a Jewish Men of similar age, fiv-ing visitinly Cate D'Azur who, like her, is adhe, successful, elegant in manner and appearance with high ideals for a future Partner simply wealting for that Maglical Moment to fulfit the Pessonal Curst in share with devotion and completent the wood Humbus, Adventure and Romance! Write to Box 672, IHT, 63 Long Acre, London WC2E S.H.

CAPTIVATING TALL SLIM Lady 30, bighty cultured articulate componion for corporate meetings and social bookings. Can bewel London Tel: 07775 713565

Meeting Point

INDULGENT BUSINESSMAN travelling frequently to Europe (especially UK, Scandinavia, France, Germany & Eastern Europe) and Asta (especially Japan, Koreà & Thalland) needs focal esconfguide to cheer up his leisure time. Attractive lady (under 45) with requisite experience should write, giving contact number & photo, to Box 877, 91T, 63 Long Acre, London WICZE BJH.

A BEAUTIFUL SCHOOL BUSINESS BURGE BE 20s will be in Southern California in September. Would like to meet up with an older wiser affikient American for romance or triendship. Tel. Chalsea: 0171 370 0337

DINING OUT

1 de la 1 PARIS 6th

MAHARAJAH mient india 200m, from Natre-Dame our surrouting, cir-conditional, sulons Interiors according, as conditioned, selections, macross 127/169 f, corte 150 f. 72, bd St-German, T.L.s. 01 43 54 26 07

PARIS 6th LE BILBOQUET

13, rue Saint-Benoit, T. 01 45.48.81.84.

🏶 Yugaraj

CHEZ GANDHI

TY - COZ

KERVANSARAY

EDITH BRIGITTA Fahrenkrog

NATCHING THE RIGHT PARTNERS IS MY SUB-PERSONAL INDIVIDUAL ASSISTANCE IS MY S CONFIDENCE IS MY HIGHEST PRIORITY.

FRANKFURT HEAD OFFICE: DAILY 3 - 7 PM.
50316 FRANKFURT, ELKENBACHSTR. 51, GERMANY
TEL.: +49-69-43 19 79, FAX: +49-69-43 20 66 MAYFAIR OFFICE: MON - FR 9 AM - 6 EM LONDON WIX 5FD, MAYFAIR, STRATTON STREET 10 TEL.: +44-171-5 46 85 43, FAX: +44-171-5 46 85 70 PARIS OFFICE: MON - FRI 9 A.M. - 6 EM. PARIS 75008, 72 RUE DE FAUBOURG-ST-HONORÉ TEL.: +33-1-40 07 86 87, FAX: +33-1-40 07 80 40 U.S.A. OFFICE: MON - FRI 9 AM. - 4 PM. NEW YORK, NY 10019, 730 FITH AVENUE, 9TH FLOOR TEL: (1) 212-333-87 85, FAX: (1) 212-333-87 20

NEW YORK

LONDON

PARIS

EXCLUSIVE PERSONAL APPOINTMENTS ARE POSSIBLE IN: INDIVIDUAL ROME - GENEVA - VIÈNNA - MIAMI CONFIDENTIAL LOS ANGELES - SINGAPORE - HONG-KON

GORGEOUS COSMOPOLITAN BRAUTY (MODEL).

OR HER MED 30'y1.74. SWEET AND MAGNETIZING WITH DELIGHTFAL WASTLONG DARK HAIR. WONDERFUL BLUE EYES. VERY GRACIOUS AND SLENDER FEGURE. EXQUISITE TASTE AND GREAT STYLE A REFINED LADY. INDEPENDENT. ENTHUSIASTIC AND VERY OPEN-MINDED SHE HAS A SOUTH BURDIERA BACKGROUND, IS A VERY BRIGHT US. UNIVERSITY GRADUATE. A VERY SFORTY WOMAN WITH A LOT OF INTERESTS, GIVING GREAT SIGNIFICANCE TO FAMILY TRADITIONS AND VALUES OF LIFE. A HAPPY PERSONALITY. VERY CHARMING AND CHÉERFUL LOOKING FOR A MAN UP TO LATE 50'S.

CHARMING AND CHEERFUL LOOKING FOR A MAN UP TO LATE 50'S.

AN INTERNATIONALLY RENOWNED MAGNATE...

WITH STATELY RESIDENCES IN PARIS - CANNES ETC. A MAN OF THE WORLD (ELITE U.S. UNIVERSITY DEGREES) IN HIS EARLY 40'S. A VERY GENEROUS AND MAGNATIMOUS MAN. HE RUNS HIS GLOBAL ENTERPRISES WITH GREAT RESPONSIBILITY AND IS VERY SUCCESSFUL A WONDERFUL CHARMING MAN. VERY ACTIVE AND CHARISMATIC. WITH PERFECT MANNESS. VERY ELEGANT. DARK HAIRED, MASCULINE AND ATRILETIC HE LIKES SEVERAL SPORT ACTIVITIES, CULTURAL EVENTS, FINE ARTS ICOLLISCTOR) AND TRAVELLING. A FASCINATING AND DYNAMIC PERSONALITY. CAPTIVATING BY HIS WARMTH AND CONSIDERATION A VERY RICH PRIVATE LIFE IS MOST BROGGTANT TO HIM. THE LADY AT HIS SIDE. WHO LOVES LIFE 'A LA FRANÇAISE' - WOULD BE HIS "PRIVCESS IN A FRIRYTALE."

LA FRANÇAISE - WOULD BE HIS 'PRINCESS IN A FARYTALE'

SWEET, CLASSY AND ENCHANTING LADY...

VERY BEAUTIFUL AND ELEGANT IN HER 40 1/1.72. WITH A WARML AFFECTIONATE TEMPERAMENT. EDUCATED, VERY PASSIONATE AND COSMOPOLITAN. LOVING CULTURAL EVENTS. ART, MUSIC AND MOST OF ALL TRAVELING. A VERY SPORTY WOMAN. TALL ATHLETIC AND EYE-CATCHING. SHE HAS GREAT CLASS. - A REAL LADY - IS VERY VIVACIOUS AND PROFOUND. LOVES 1.A. CUISINE DIJ MONDE ENTIES: AND ENDOYS THE COMPANY OF HER FRIENDS WORLDWIDE A VOUTHFUL PERSONALITY WITH AN INTERNATIONAL EXCELLENT BACKGROUND. VERY INDEPENDENT AND OPEN FOR EVERYTHING NEW. A STUNNING BEAUTY - SHE WOULD LOVE TO SHARE A HAPPY FUTURE. TOGETHER WITH THE RICHT PARTNER.

PLEASE CALL

NANNIES/DOMESTICS



Ginderella

First Class agency est, 1982
Specialists in placements of:
Names: - Moners Her - Marsaur,
Names: - All Plans Governess.
All staff interviewed - qualifications
and staff interviewed - qualifications

Domestic Positions Available

DOMESTIC STAFF-Highest calibre experienced Couples, Butter/House Managers, Namnes, Chels, Housekeepers, 2 P.As-

IMPERIAL NANNIES **BRITISH NANNIES GOVERNESSES BABY NURSES**

Personally vetted, highly experienced and professional with excellent references. **AVAILABLE NOW** ne Please telephone Alison Day NNEB on Tel: 00 44 171 341 9344 Fax: 00 44 171 244 7312/3 222 Old Brompton Road, South Kensington, London SW5 0BZ

Monroe Nannies CHARGE STEEL STREET SENT SEST ENMATERALLY MURSES ICHTENNESSESTAOTHERS HELPS All éast ale tuly experience de line des of blants & young differen & unifertida a very productional & cacing associa-TEL: (M-C/S) 400-0010 FAD: (M-171) 629-4665 31-8800K STREET, MAYFAR, LONDON, WI

Domestic Positions Wanted

FINNESH MON AND 6 YR OLD SON are looking for a good school and lamily in Employment Agency 44 (0)171 581 0010 inneroth@lbmed.in

STAFFO DISTINCTION

YOUNG LADIES WORLDWIDE seek triendstillemetes. Details and 400 photos freel HEFMES, Box 610188FE, D-10322 BERLIN. FAX +40-30-25299775

WWW.INTERNET-DATING.NET Confidential and reliable way to make

Quality vetted staff immediately available. Our experienced Consultants are here to solve your staffing needs. Call now to discuss your requirements COUPLES HOUSEKEEPERS H.K.NANNIES-CHEFS/COOKS BUTLERS/VALETS-CHAUFFEURS GARDENERS-ESTATE MANAGERS

Tel: 00 44 171 244 0246/7/8
Fax: 00 44 171 244 7312/3
222,Old Brompton Road, South
Kensington, London SW5:0BZ

i e spijdingen gil he-a

No Registration Fee. 24 kour Auswerphone

See Monday's Intermarket for Recruitment, Education, Secretarial, Internet Services. * NANNIES * GOVERNESSES * BABY MATERNITY NURSES EXCELENT CARE ASSURED PLEASE TEL: 44 171 539 5789 OR RAX: 44 171 838 5740 20 SEALCHAMP FLACK, LONDON, SW3 To advertise contact Sarah Were on +44 171 420 0326 or fax +44 171 420 0338 A GREAT DEAL HAPPENS

AT THE INTERMARKET

PARIS 5th

A juzz temple since 1947 beart of Saint-Germain de for dianer or a district.

You can sample the spicy, are matic head out dishes that are becoming rage in France... "France: 197" (or conditions of) 14, rue Damphine. It 01 43 26 44 91

Escorts & Guides

commended for top gastreautry. Guide of France "set to selps". "Job conditioned) 41; rue Douphins. T. 91 44 07 08 06 - 01 43 29 01 29.

PARES 9th

Fish, Shellfish, Sectional. Evening manu 170 Ft. Closed Sunday & Manday evenin Tal: 01,42,78,42,95 & 34,61.

Tericis & let's specialities, lobster hor; best seafood restourent, let floor. Mothentes. Tell: 5128945. Air consistence, 80m. Open. Noon-3 p.m. 4 6 p.m.-1 oz.m., except Stonday. Open bolidays.

SUCCESS, WEALTH, POWER...

VIII and Wallis Simpson were introduced by a mutual friend, they realised their lives would

change forever; after all, there were empires to run. And what Edward and Wallis knew then, you know now - for successful, wealthy, powerful men and women, love is not easy to find. I know this too. I also know that, without their wise friend, the meeting which changed the lives of the Duke and Duchess of Windsor may never have

happened. Every successful person needs such a friend. If you are at the peak of your profession and are too busy to meet that special ne, let me be such a friend to you; I will do my utmost to introduce you to your ideal partner. For an introduction that will change your life, contact me on +33 (0)450 427 321 of +(0)33 608 461 110 (mobile). For marriage only.



Partner Search

LONDON office: 1 Northumberland Avenue, Tratalgar Square, London tel. ++ 44 171 872 5427, fax ++ 44 171 753 2848 PARIS office: 12-14 Rond point des Champs Elysées, Paris hel. OI 53 53 16 10, fax OI 53 53 14 00

GENEVA office: Rue du Rhône 14, Geneva tel. ++ 41 22 819 18 13, fax ++ 41 22 819 19 09 ISLE OF MAN headoffice: 56 Bucks Road, Douglas, Isle of Man tel. +44 (0)1624 615 442, tax +44 (0)1624 615 442 USA on

"GENERAL

INTERNET SERVICES

On-line stock trading U.S. markets **SWIFTRADE**

SERVICING OVERSEAS INVESTORS www.swiftrade.com

OFFUR

Personals MAY THE SACRED HEART of Jesus be adored, glorified, loved and preserved introughout the world, now and torever. Sacred Heart of Jesus park for us. Saint Jude, worker of saractes prey for us. Saint Jude, helper of the hopeless, park for us. Amen. Say this payer may times a day, by the ninth day your payer will be answered, it has never been larger to the Jesus and Prolication must be promised. Film

Announcements

Herald Eribune SUBSCRIBER CUSTOMER SERVICE:

"SUBSCRIBER CUSTOMER SERVICE-For questions or queste about the deb-ery of your newspaper, the states of your subscription or about ordering a subscrip-tion, please call the following numbers: EUROPE, PRODUE EAST AND AFRICAL TOLL FREE - Austria 0680 8120 Bal-gium 00800 4 448 7827 Deamark 00800 4 448 7827 Feacher 00800 4 486 7827 Gentany 0130 848585 Genet Brit-ain 00800 4 448 7727 Greece 00800 33 312 15 05 Instant 01800 2703 Nether-lands 00800 4 448 7827 In-lands 00800 4 448 7827 In-lands 00800 4 448 7827 In-lands 00800 4 448 7827 Seechen 020 797039 -Seitzenfund 00800 4 448 7827 Elevation (1201 41 479 361 THE AMERICAS)

FEELING tour? - Having problems? SOS HELP prass-fine to English From 3:PM to .11.PM, Tet. Paos, +33 (0)1 47 23 90 89

Antomobiles -ASTON MARTIN Volume Cabriolet 1986, US model, EEC plate, A1 050,000, Tet +49 171 287 33 22.

Auto Rentals

RENT AUTO DERGI FRANCE: WEB(END FF500 - 7 days: FF1500. Pars 423 (6)1 43 69 55 55. Auto Shipping

SAVE ON CAR SHIPPING. AMESCO, Kribbestr 2, Antwarp Belgium. To/From US, Africa. Regular Ro-Ro sailing. Free hotel. Tel: 32/3/231-4239 Fax 232-6353

Autos Tax Free

peer TAX-FREE used ALL LEADING MAKES Same day registration possible renerable up to 5 years We also register cars with (auptred) foreign (las-free) plates

ICZKOVITS Affred Escher Street 10, CH-8027 Zurich Tel: 01/202 76 10. Fac: 01/202 76 30

25 YRS OCEANWIDE MOTORS modifielde supply of tex-free cars AUDI Mercedes, BMW, Possche. Call Germany +49-211-4453930, fax 49-211-44 \$38322

ATX WORLDWIDE TAX FREE CARSI Emait new and used LHD / FHD cars. Terrandster 40, 2330 Antwerp, Belgium. Phone: +32.3.645.50.02, Fex +32.3. 645.71.69. E-mail-set belgium @skynet.he

Legal Services

DIVORCE 1-DAY CERTURED Call or Fax (809) 922-3615, 308 S. Highland Spr. Ave., Ste. 6C #143, Backing; CA 92220 USA e-mait divorce@spryssccom DIVORCE IN 1 DAY, No brevel, With: Box 377, Surbury, MA 01778 USA: Tet 978/443-8387, Fax: 978/443-0183.

Services

MC ENVESTIGATIONS. All private and composate enquisies. Tel: +44 (0)7074 737227. Fex: 0181 395 1622 Calleges & Universities

EARN UNIVERSITY degrees utilizing work, life & academic experience. For evaluation & information forward resume to: Pacific Southern University, 6581 W. io: Pacific Southern University, 8581 W. Pico Bird., Dept. 121 Los Angeles, CA 90035 USA

Import/Export

SPECIAL OFFER! Lager BEER 5%, 440 militaris \$0.17. Also alcoholic direlis. Fax: +31-20-4042956; |sf@euroneLol

Business Opportunities COMMERCIAL BANK with established correspondent relationship. Class A foreign. No qualification reportements. Immediate technery USS-00.00 Agests wanted worldwide. Tel: +242 394 7080 Farc +242 394 7082

Business Opportunities

NASDAQ LISTED CO. needs independent local sales representative to handle leather cellular phone cases and sunglasses. Ability to earn good money, Please contact Ken at 305-477-3606, Fax: 305-593-635 USA or e-mail:

OFFSHORE COMPANIES. For Ires brochure or advice Tet London 44 181 741 1224 Fax: 44 181 748 6558/6338

France..... 27¢ Italy...... 34¢ Japan..... 32¢

• NO Depasit

• Stx-Second Billing

Agents Wanted

YOUR OFFICE IN LONDON Bond Street - Mail, Phone, Fax, Telex Tet 44 171 290 9000 Fax 171 499 7517

for Sale

BISH DEESHORE COMPANIES \$145

~1: 1.206.599.1991 U.S.: 1.800.965.1626 Fax; 1.205.599.1981

Business Travel

1etPhysiness Class Fraction Travelled Vicinitation Up to 50% off. No coupons, so restrictions, temperal Canada Tet. 1-514-341-7227 Fac. 1-514-341-7988.

Contact: Irish incorporations Ltd. Fax: +363-51-386921 E-Mail: Irishinc@lol.ie

TELECOMMUNICATIONS kallback

Singapore.. 33¢

• NO Set Up Fees • ND Minimums

Email: info@kallback.com

Business Services

DIRECT FROM ANTWERP, the world diamond centre. Buying or saling contact ANTEX INT'L DIAMOND CO. Tet +32 3 232 49 60 Feet +32 3 233 25 67

. 17¢

Instant Activation

www.kallback.com

Νеш Lower Rates:

Fiber-Optic Networks

Diamonds

Real Estate

Italy TOSCANA. Carefully restored CASA COLONICA (400 st.m.), LOGGIA, CA-PANNA, in hearl of CHIANTYCA. 12 for activated land (fields, ieraces). 53 ha moods including old private hunting rights (17 ha). Unique lossition, parcoranto view. Direct sale. Liz. 2,800,000,000. Telifax: 0039-577-736582

Real Estate for Rent Paris Area Furnished

MONTPARMASSE 6th, duplex, 7th floor, large living, filte new, quiet, bright and terrace with exceptional view, Owner. 14 000FF7month. Tet (0)1 43 25 59 52

Switzerland

GENEVA, LUXURY FURNISHED apart-ments. From studios to 4 bedrooms. Tet: +41 22 735 6320 Fex +41 22 736 2671 Employment

SPANISH, 34, former Franch special toros, fluent in 4 junguages seeks 2 job, willing to travel. Tel: +39 336 34 22 156 Holiday Rentals

French Provinces

General Positions Wanted

International **Herald Tribune** ads <u>work</u>

5 bedrooms, 3 beths, pool, quiel, Sept 12. FF9.000/wk. Tel +33(0)1 47 36 34 41

ORCHIDS LONDON - EUROPE Unrivated reputation for excellence THE FINEST & THE MOST SINCERE 18 - 38+ INTERNATIONAL BEAUTIFUL & ELEGANT SECRETARIES, AIR HOSTESSES & MODELS + AVAILABLE AS

YOUR COMPANION 24 HOURS Escort Agency Credit Cards Welcome TEL: LONDON ++ 44 (0)

BELGRAVIA

0171 589 5237 HIGK OCIETY The Most Prestigious Escort Agency Executive Service Worldwide Genuine Fastion, Glamour & Cabeals Models Sophistassof, Intelligent, Stuming Ladies Established in Germany, Brussels, Parls, Cals L'Azur, USA View Our Fine Ladies in Model Galleny:

SWITZERLAND-GERMANY-BELGIUM ++31-20-427 28 27 Zurich Genera-Basal-Berne-phint Washaden-Cologne-Bonn-seldorf-Musich Hamburg-Berlin-Brussels-Anthrop + Lexembourg *TRAVEL SERVICE WORLDWIDE* LONDON: (0)171-978 6606 COSMOS Excert Agency - Credit Cards

web@h-s.net HQ Landon Tel: +44(0)7000 444476

MILANTROMETCOTE D'AZURTPARIS ATHENS'BRUSSELS'GERMANY'SPAIN SUBSETSTOCKHOLM Excet Service. Tel: +39 (0) 935 618 0438 Credi Cards

FOR INVESTMENT INFORMATION

Read THE MONEY REPORT

every Saturday in the IHT.

Experience the energy that makes MODEL LINK

a World Leader In its unique international escort service. With the most striking catwests & fastison models our outstanding service is unprecedented. Here a private confidential meeting to view our fine Portfolios. We service worldered for you. Tel/Fax ++ 44 (0) 7000 822 822

azzura

international ESCOPRIS. WORLDWIDE

World's top international beauties

New York US Hg:1-212-765-7896 OFFICE BINTL-ESCORTS.COM

LONDON CONTACT Most attractive, educated, classy escorts & models, First Class National & International Escort Service. Tel: 0171 736 9937 or 07771 780082

European JET SET " VIENNA " PARIS

"AM"STAR"DAM"CLUB"

PARIS

DISTENCTION

London Paris Core ("Azur Geneva Zurich
Brussels Escort Service, Dinner Dates &
Travels, London, 07775 62 63 57

Tel: +44 (0)707 4444 001 Email: sales@azzura.com

" EUROCONTACT INT'L "

PARIS'ANTWERP'GENEVA'ZURICH RIVIERA'BRUSSELS'LONDON'VIENNA MLAN'ROME'BI GERMANY & PRAGUE

COPENHAGEN ATHENS NYC LA Escori Service Vienna ++43-1-212 0431 RIVERA ZURICH MUNICH LONDON ROME * MILAN * SALZBURG * Cards Vienne ++43-1-315 40 44 Escot Service

Statiouderstate 64, Amsterdam 431 (0)20 670 1333 Escort Agency for Dinner Dates/Shows into@secret-affairs.nl

service @ mano-escorts.com +3120-5789-221 / +316-54228-124

ARISTOCATS Escort Service Beautiful Int'l Photo Models 3 Shouldham St. Lundon W1 London Tel: 8171 258 0090

PARIS Geneva Escoti Agency ++41 79 6377884

HEIDI'S HIGH SOCIETY"VIENNA PARIS RIVIERA ZURICH GENFTMUNCHEN International Escon & Traval Service reg ++43*1,53\$, 41 OH all credit cards 24HR VIP ESCORT SERVICE Beautitu American, Brazilian, Scandinavian, Cambbean, Indian, French & Oriental. Tel: 0171 491 8424

GENEVA PRETTY WOMAN Call 022 / 346 00 89 Estant Agency LAUSANNE-MONTREUX-BASEL "ZURICH - CREDIT CARDS DUESSELDORF UPPER CLASS estab-lichment, top level tedes, Travel Escort Service near Duessettorf & Cologne air-port. Tet: +48-0211-6965209

AMSTERDAM ' DREAMS ' ESCORTS

and Dirmer Date Service for Him or Her. Tet +31 (D) 20-64 02 668 or 64 02 111

ANGELICA WOON IN LONDON Absolutely Gorgeous, Classy & Privat New Escott Service - 0171 813 9014 ASIAN " PERSIAN " ORIENTAL & CONTINENTAL Escori Service London

Tet 0956 223317 24 hrs Credit Cards

"Berlin - Frankfurt - Zurich"
"Carisma Escort Agency"
Tel: 0041-849 80 70 77 - Credit Cards

Heraldade Eribune

THE WORLD'S DAILY NEWSPAPER

CORPORATE AFFAIRS. For he and she. Escori Services in New York City. Tet: 212-228-0098 USA

....FLORENCE.....

SELECTIVE ESCORT SERVICE LONDON only 0171 262 2886 All-cards

"Harmony" Madrid Barcelona" resi di Spain. The most exclusive escont Service. Tet. 908 818964 or 919 837332

For he and she Escort service since 1967. Tet +31(0)20 623 1584/420 3827

ITALY PARIS COTE D'AZUR Escot Service, beautiful, worldwide Tet 0039 - (0/3474604651 (24/24)

HOLLAND ESCORT CLUB

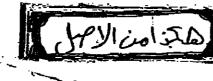
JASMEN'S ESCORT SERVICE LONDON 0171 935 0564 CREDIT CARDS ACCEPTED JIL - BEAUTHFUL, sophisticated, Black model. Private Escort Service. Chelsea 0831 766 383

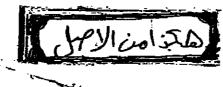
ORIENTAL BEAUTY and Elegance Fresh, slim, intelligent. Discrete Escort Service - Nîna (UK) 0961 922569 PRIME TIME ENTERPRISES Escot Service in New York City 212-279-8522

PURE PLATINUM NY Premier Escori Service for the privileged few 212-625-0606; office @platinum-girls.com YVONNE - VERY PRETTY Bronde Stun-

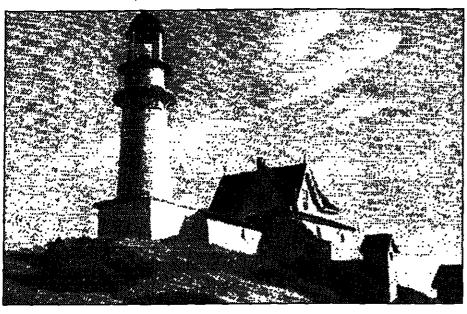
rung Figure Private Escori Service. London, 0403 569 772

Tel: 079 : 403 30 B1





ART



Two Lights Lighthouse, as immortalized by Edward Hopper, in Cape Elizabeth, Maine.

A Hopper Icon at Risk Major Changes Slated for Lighthouse

By Judith H. Dobrzynski

APE ELIZABETH, Maine - Even on a warm, sunny August day, the view of Two Lights Lighthouse here is, well, Hopperesque. Scenic but somehow forlorn, frozen in a long-ago time, the lighthouse evokes the sense of isolation inherent in so many classic Edward Hopper paintings. Little wonder that "Lighthouse at Two Lights," which hangs in the Metro-politan Museum of Art and is one of three major paintings and several watercolors he made of the scene, was made into a popular museum poster and is pictured on the 1970 6cent postage stamp marking Maine's sesquicentennial as a state.

"Two Lights was a symbol of the solitary individual that faced isolation in the industrial world," says Barbara Haskell, a curator at the Whitney Museum of American Art, which owns two of the watercolors (and the Hopper estate). It was also symbolic of the vulnerability of that way of life."

Hopper was indeed prophetic. The Coast Guard automated the beacon at Two Lights years ago and now, some 70 years after Hopper painted a scene that became an icon of American art, the white, gingerbreadtrimmed keeper's cottage in it is facing a big change. The owner plans to expand the house by about a third and add a two-car garage. Neighbors are horrified.

Workers are scheduled to begin demolishing part of the cottage, which was built in 1873, on Sept. 8 and there is little anyone can do legally to stop the owner, William J. Kourakas Jr., a hometown boy who now works on Wall Street, lives in Greenwich, Connecticut and uses the house as a year-round retreat.

Kourakas; who bought the keeper's quarters in 1995, declined to comment for publication, but he has told neighbors that the house has already been altered and is no longer what Hopper painted.

The people around here are up in arms." said John Rich Jr., a retired journalist whose front yard looks out on the view in the Met's painting and who, as a 10-year-old, witnessed Hopper painting it.

Town residents are rueful, at least partly because their lack of power is their own fault. When the town council of Cape Elizabeth, a hamlet near Portland, considered safeguarding historic buildings in recent years, it sided with private property rights over mandated preservation. An ordinance passed last year simply requires anyone embarking on demolition or construction of a landmark to give the view that the Met purchased in 1962.

45 days' notice to the town and to the Maine Historic Preservation Commission "That ties my hands," said Michael K.

McGovern, the town manager.
On Aug. 13, about 40 citizens gathered at the town hall and decided to fight. Afterward, Thomas M. Egan, an insurance agent who is becoming a de facto leader vowed: "We'll do whatever we must do to stop him." The group sent a delegation to plead the preservationists' case with Kourakas on Friday, but he was

'He said there would be no change in his plans and no delay, which means there's going to be a fight, 'Rich said. Kourakas, the 43-year-old head of Morgan

Stanley's high-yield capital markets group, has told neighbors that he is not the villain here. Over the years, the farmland surrounding the keeper's house was graded and turned into housing lots, the assistant keeper's house that figures in some paintings was destroyed and the keeper's house was renovated and expanded somewhat. His plan, he argued, reverses some alterations, restores some gingerbread and puts part of the roof line back where it was in Hopper's day.

OURAKAS'S blueprints, however, also extend one side of the building 12 feet (3.5 meters), add 16 feet to another side, turn a three-bedroom house into a six-bedroom one and install a garage with a connecting walkway to the

Gail Levin, the author of eight books on Hopper, agreed. "It's a shame he is altering this major historic landmark," she said of Kourakas. To Hopper, she said, there was something quintessentially American

about lighthouses, especially this one.

Two Lights also marked something of a turning point in the artist's career. As Levin writes in "Edward Hopper: An Intimate Biography" (Knopf, 1995/University of California Press, 1998), Hopper and his wife, Jo, discovered Two Lights in 1927. Hopper had just sold "Two on the Aisle," which shows a pair of elegant women in a near-empty theater and is in the Toledo Museum of Art, for \$1,500, his highest price thus far. The couple used the money to buy their first car and set out

from Nyack, New York, for Maine.

At Two Lights, he painted "Lighthouse Hill," an oil in the Dallas Museum of Art, and "Captain Upton's House," an oil owned by the actor Steve Martin. Hopper also painted other parts of the Coast Guard complex at Two Lights, and he returned in 1979 to rains.

Glimpses of Stuart Britain in Prints

By Souren Melikian International Herald Tribune

ONDON - The art may not be great, but as a key to the understanding of British cultural history, few shows beat 'The Print in Stuart Britain, 1603-1689," at the British Museum until

Sept. 20.
The subject had never been dealt with, not even in book form. Eager to Baltic Sea, was employed by Christian fill the lacuna, Antony Griffiths, IV of Denmark to execute decorative keeper of the department of prints and drawings, has done it in 155,000 words. It is not light reading and yet it

is gripping.
Once he gets into it, the reader pushes open the door of this London art or the gets much it. The reader pushes open the door of this London art world of the 17th century in which little was English. He is made privy to the schemes of the high-and-mighty, comschemes of the high-and-mighty, com-plete with financial scandals and mistresses in high places doubling up as dertaking, and he produced etchings. agents for a foreign power. So, what's His contemporaries raved about them new? Well, the illustrations are. More To the modern eye they look conthan 90 percent of the 214 prints, which should really be seen after reading the book, have never been displayed.

These might never have seen the light of day had the Spaniards not invaded the Southern Netherlands in 1567, sending hordes of Protestants fleeing to Britain. Thus it was that Marcus Gheeraerts the Elder of Bruges came to illustrate the Dutch and French editions of a Dutch book, "Het Theatre," with the first etchings published in England in 1568.

By the time James I ascended the throne in 1603, the entire publishing business was dominated by Netherlandish émigrés. It was the publisher Hans Woutneel, a refugee from Antwerp who sent to a fellow Flemish refugee in Cologne, his friend Crispijn de Passe the Elder, a portrait of the defunct Queen Elizabeth drawn in pen and brown ink by Isaac Oliver to Europe than just charm. "Prince be engraved. And when the need for Rupert" (Ruprecht of Pfalz) was the an engraved portrait of James I was felt, the publisher turned to another émigré, Francis Delaram.

Arundel, while on an embassy in the German Empire in 1636, met Vaclav Hollar — Wenzel to the Germans; Wenceslaus in England — who had been forced to leave Prague in 1627 for Frankfurt, where he had become a full-fledged German school engraver. Hollar accompanied him on his journev home.

Within mouths of his arrival, Hollar roduced one of the gems in the show, The Long Greenwich View." The landscape unrolls with a suggestion of as poetic as it is topographically ac-

Hall built by Inigo Jones only just visible. A poem underneath was meant to sound wildly erotic: How Phoebus [the sun], crowns our

Sumer dayes With stronger heate and brighter

Her lovely neck and breast are bare While her fann doth coole the ayre. Tastes change. Francis Clein, a German artist from Rostock on the paintings in the castle of Rosenborg when he visited London in 1623. Clein so impressed James I that he pressed his brother-in-law Christian IV to al-

low Clein to go to London. Mortlake, the king's great artistic unventional, not to say stilted, however skillful his technique, praised by Grif-

HE work of the Frenchman Isaac de Caus has greater charm. He too was a big hit. By 1634 he had become a subject of His Majesty. Inigo Jones, with whom he frequently collaborated, recommended him to the Earl of Pembroke for the face-lifting of the south front of Wilton House and the garden layout. Pembroke was so enthusiastic that he gave de Caus a pension and lodgings in his house. "Horus Penbrachianus," engraved by de Caus, half bird's-eye view and half garden map, has a light-hearted, falsely naive charm that is irresistible.

At intervals, there was more to the work of immigrants from continental son of Elizabeth, sister of Charles I, and Frederik of Bohemia. While a young exile in the Netherlands, he mastered Indeed, foreign artis's were called the art of etching, and, possibly in in from all over Europe. The Earl of Brussels, he was initiated into the secret of the mezzotint, a technique invented in 1642 by a German soldier, Ludwig von Siegen, who did not ex-

"The Little Executioner," the portrait of a man dated 1662, inspired by a portrait then believed to be by Ribera, is a dramatic close-up of a man's head bending forward. It ranks among the great masterpieces of 17th-century claims to wit or an elegant lifestyle.

The Dutchman Gerard Valck en-

Prince Rupert, a passionate exper-



A print by Vaclav Hollar titled "Summer" and dated 1644.

ghoulish curiosity of the public. Hortense Mancini, the niece of Cardinal Mazarin of France who had been granted the title "Duchess of Maz-arin" by Louis XIV, was one of them. Having married the Duc de Meilleraye, she left him after a flaming dispute and came to London where she promptly proceeded to outdistance the mistress-in-residence, the Duchess of Portsmouth. Imprudently embroiled in an intrigue, Hortense was nimble enough to persuade her royal lover to let her have a £4,000 yearly pension. That allowed her to live luxuriously in her Chelsea house assiduously visited by those with

graved a likeness of her, blandly con- France in 1688), assures us that she imenter and inventor, improved the ventional. A Junoesque woman, her immensity under the light clouds. It is technique and passed it on as a secret head diffidently averted, turns her eyes to be jealously kept, to a few fellow to look at the viewer with her hand members of the Royal Society. A de- pressed against her bosom, as if to of humanity that scrambled up the were bolder. "Summer," dated 1644, cade later, the secret was widely prevent her drape from coming down. Greaty posts at the London count. Useis seen as a woman walking, fan in known Mezzotint portraiture, with its: The Duchess of Portsmouth, her fierce fully supplemented by Griffiths's nohand, as if gliding sideways, against rich, smooth texture, became the rage rival, had come to London as Louised ticks, they deserve a close study.

The Duchess of Portsmouth, her fierce fully supplemented ticks, they deserve a close study.

The Duchess of Portsmouth, her fierce fully supplemented ticks, they deserve a close study.

The Duchess of Portsmouth, her fierce fully supplemented ticks, they deserve a close study. James's Park, with the Banqueting trayed in this medium to satisfy the plans in mind, for she took along the lighten you about the present.

painter and engraver Henri Gascar. Closely associated with the Catholic party at court via the duchest. Gascar enjoyed enormous success. He portrayed her in mezzotint, but that energing cannot have been much addemand. She was loathed for being # Catholic and accused by the whispering brigade of being an agent of Louis XIV. Luckily the duchess was a

position right until Charles's death. In Gascar's portrait, she is non-chalantly reclining, her chubby poker face giving nothing away. Uninspired as it may be, this is a postrait one does not easily forget. Voltaire, who met her in her old age (she returned to

tough nut. She not only saw her rivat

out of court, but she maintained her

was still very beautiful. There are many more likenesses of these curious international specimens

ARTS



COLLECTORS

VERTICAL COLLECTION of Chateau Monton Rochschild from 1945 to 1995; inclusive of 6 busiles with artists' signatures and 10 busiles with artists' signatures and original artworks on butiles. (Lying in bond in Switzerland.)

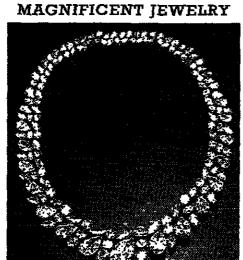
Please enquire with Camulak Consultants Pre Ltd (Republic of Si~yapare). Tel: 65 584 1238 Fax* 65 288 4379

International **Herald Tribune** ads work

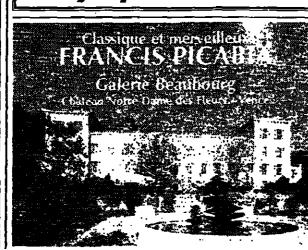
M & M OBJETS D'ART

Le Park Palace, 5 Impasse de la Fontaine, 98000 Monaco Tel.: +377-93 30 19 60

Is pleased to present their new collection of



Monte Carlo - Hotel de Paris 20-21-22-23 August starting at 6 p.m. at the Salon Berlioz



By Tracie Rozhon New York Times Service

NNANDALE-ON-HUD-SON, New York — Bard College, a small liberal arts school on 550 acres here, wants to build a knock-yoursocks-off building, a sculptural shell for music, drama and dance.

Designed by Frank Gehry, who is basking in the triumph of his Guggenheim Museum in Bilbao, Spain, the \$24 million Bard Performing Arts Center would have some of the same sweeping silvery roofs, some of the same draftsman-defying curves as its Spanish sibling-under-the-skin and some crinkles thrown in.

To townspeople, preservationists and Bard's president alike, the center might well be another of Gehry's coups, a mecca for architectural pilgrims and lovers of the performing arts.

There is only one problem. A lot of people think it's in the wrong spot.

Right now, the structure is designed to nestle in a ravine next to another of Bard's performing arts buildings. The site is 305 feet from the Saw Kill creek, across from land owned by Montgomery Place, whose and environmentalists. The State Parks Decartment "strongly recommends" mansion and grounds are listed on the Department "strongly recommends" National Register of Historic Places that the center be moved somewhere and are seen by 30,000 visitors a year. While the new center would not obstruct Montgomery Place's view of the Hudson, it would look out over a the historic district, according to letters pristine, backwoods lake and dam to the planning board. rhapsodized by A.J. Downing, one of the most famous of 19th-century romantic landscapers.

concrete building will be seen above beautiful, why not stick it in a place and through the trees from the man-where Bard can enjoy all sides?"

"It needs to be moved back," said else — or be reduced in height. The National Park Service worries that the In his own letter, Jenrette said the

siting of the proposed building "seems almost vindictive." At the end Opponents are worried that the of his letter, he asked, "If the proposed 105-foot stainless steel, glass and Frank Gehry structure is going to be

building, why put it down there?" But in the end, Gehry was convinced by the arguments of Botstein. "He's vehe ment: He's not building it just to build an edifice, for fluff," he said. The new center, Gehry said, must be "part of the teaching experience" and relate to the two adjacent arts buildings, which will become part of what Botstein sees as the campus arts complex. The building has to be massive! Gehry added, because it must work

for orchestra, opera, theater and dance. It must be almost 100-feet high because of the flies - the area above the stage that holds the scenery.

On Aug. 3, Bard volunteered to submit an environmental impact statement by Oct. 1. Officially, everyone is sion's numerous trails — and Lucy Initially, even Gehry asked the same waiting — although Botstein vo Kuriger, director of Montgomery question of Bard's determined pressure trails — and Lucy Initially, even Gehry asked the same waiting — although Botstein vo Kuriger, director of Montgomery Initially, even Gehry asked the same waiting — although Botstein vows to

BOOKS

The Tempest Over Gehry-on-Hudson

THE SILVER CASTLE By Clive James. 263 pages.

\$23. Random House.

Reviewed by Michiko Kakutani

LIVE JAMES'S last novel, "The Man From Japan," was amusing, energetic and oddly affecting. His new novel, "The Silver Castle," is amusing, energet-ic and oddly condescending. It aspires to be a kind of 'Candide'' set in contemporary India. It reads more like a made of rags, bags and dirt. comic book, penned with a

self-satisfied sneer. The plot of "The Silver Castle" not only takes its cue from hundreds of earlier bildungsromans, but also spe-cifically recalls "The Man From Japan' and James's own 1981 autobiography, "Unreliable Memoirs." Once again we are introduced to a poor young man equipped only with some pluck and good luck. And once again we

NEW AUTHORS PUBLISH YOUR WORK ALL SUBJECTS CONSIDERED Authors world-wide invited Vrite or send your meanuscript to

2 OLD BROMFTON RD. LONDON SW 7 3DQ

are meant to follow this bring him back to the Silver young man as he meets a curious assortment of strangers who will introduce him to an exotic new world and lead him into a series of improbable, picaresque adventures.

When we first meet James's hero, Sanjay, he's a penniless pavement dweller living in the mean streets of drunken father; a sad, pre-maturely aged mother; innumerable brothers and sisters, and an improvised home To Sanjay, a taste of Thums Up, a kind of local cola, is an

amazing treat; a blanket, an almost unimaginable luxury. As a young boy, Sanjay has caught a glimpse of the Silver Castle, a Bombay movie studio that cranks out dozens of gie de la boue." melodramas and action films. and that glimpse of a magical land of make-believe will fuel his secret dreams. He becomes an ardent reader of movie magazines and hones his own acting skills by prac-

look") in front of a mirror. It's not long before Sanjay has left home to become a beggar and petty thief in cactus." downtown Bombay, and begun a series of liaisons with wealthy men and beautiful women that will eventually

ticing his charm (his "soulful

Castle as an extra and bit James sketches in the rig-

ors of Sanjay's life on the streets with a smattering of telling details. The reader quickly learns about the pecking order among the beggars and gangs of Bombay, and the tricks employed by scam Bombay. He has a cruel, artists intent on ripping off gullible tourists.

Wealthy Indians and tourists in search of poverty chic are agilely skewered as well. "He reminds me of what my life was like before," says one movie star of Sanjay. Simple. The life of the senses." Another new friend, visiting Sanjay's home in the slums, exclaims: "This place does wonders for my nostal-

James also displays his customary narrative panache in extracting humor from Sanjay's bumbling efforts to get ahead by parroting movie dialogue and magazine captions to everyone he meets. "Your sexiness triggers procreation in the world," San-

jay tells a girl he likes, adding, "Life without you is like a So much of the humor in "Silver Castle" comes at the expense of Sanjay, however,

that the reader begins to sus-

pect that James has some sort others like him "stuck there of grudge against his hero. He at the fringe." is constantly mocking San-jay's difficulties with English and his snooty narrator who is fond of using the royal "we" --- has an annoying habit of interrupting the story

that asides that treat Sanjay as an ignorant buffoon. As the novel progresses and Sanjay's fortunes rise by the time he's gotten a few character parts as a tough guy, he is also romancing two of the Indian cinema's leading ladies — the narrator grows

increasingly impatient, as though Sanjay were getting above himself, wanting too much, dreaming too fast, appreciating too little. "The unusual integrity of her personality remained a mystery to him," the narrator

says of one of Sanjay's girlfriends, "because his own personality had no integrity of its own. It was fragmented, joined even potentially." and so could never focus its appreciation.' The novel's brutal shock

ending not only attests to James's determination to Such remarks suggest that punish his hero for his hubris James has as patronizing as the also provides his narrator with an opportunity to moralize about the meaning of Sanjay's life and the lives of

Most of us, James argues, are obliged to accept the fact that "the things we know do not form a complete picture," that they are just bits of jigsaw puzzle picture of "al with blase, been-there-donelost ship, called Western Civilization; of a radiant long cloister called the Grace of God, or of a glittering, variegated procession called the Ascent of Man." We can see the edges of the picture "even though there are whole patches of sky, sea and early missing."

But the young Sanjay even at his brightest could see no edges," James conditiones. "For him there was all the picture. The pieces of the puzzle were never together on the table in front of him. They were never in the same room, view of that cruel fact, he dil well, and his story, though sad, should give us cause for

attitude toward his hero as the oh-so-sinug rich people be means to saturize in this funda

but very sour book. New York Times Service

177711

had fire

10 F 20

: ** *******

(A. 188)

ा क्षेत्रकृति । संस्कृति

- -- Tar 64 4

400

i in in in

Global Telecom Players Scramble to Connect

By John Schmid nal Herold Tribun

FRANKFURT -- To the dismay of many of Europe's established telecommunications companies, luring prized, big-spending multinational clients has never been tougher.

Years after many of them created globe-spanning alliances selling one-stop shopping for voice and data services, big players such as Demsche Telekom AG and France Telecom SA are still trying to find an international

strategy that works, analysts argue.

Pressure on these alliances mounted again last month with the amouncement that two of the world's biggest

and most respected operators — British Telecommunications PLC and AT&T Corp. - would merge their international operations into a global network with \$11 billion in annual revenues and 5,000 employees.

As a result, another global scramble for partnerships is unfolding. "The state of the alliances is volatile, and we expect that to continue for the next couple of years," said David Neil, an analyst at Gartner Group Europe, a technology think tank based outside

In an industry that values size, the new venture qualifies as a leviathan. AT&T is the biggest long-distance car-rier in the world's biggest market, and

BT is the biggest operator in Britain. "BT and AT&T have well established names for quality and innovation, and they will be a formidable force," said Victoria Granger, an analyst in London

at Merrill Lynch. The AT&T-BT team already has struck a potentially fatal blow to Unisource NV, a Netherlands-based consortium formed in 1992 between the Dutch, Swiss and Swedish national

To concentrate on its bold BT venture, AT&T abruptly withdrew from Unisource. For Unisource, that means a lost link to the vast U.S. market and termination of a critical operating unit, AT&T-Unisource Communication

stop financing businesses.

Dozens of other affiliates to which
the bank has transferred portions of its

non-performing loans in an effort to clean up its own balance sheet will be

liquidated, and its president, Katsunobu Onogi, and two other senior executives

will resign to take responsibility for the

A planned reduction of 700 jobs will

be accelerated, and managers and others

will see their pay cut.

The restructuring will pave the way for the government's Deposit Insurance Corp. to provide assistance to the tune of

as much as 800 billion yen — and perhaps more, according to analysts, who note that the government often provides further assistance in the form

of tax breaks designed to avoid pro-

voking public outcry.

The Bank of Japan is also expected to keep the struggling bank afloat with uncollateralized loans to support its

day-to-day funding operations in the event that other Japanese and foreign banks move to limit their exposure.

from all overseas operations, which will be assumed by Sumitomo Trust, and it will try to sell its head office building in

Tokyo.
All of that, analysts say, may only

begin to repair the hole in the bank's

balance sheet caused by bad loans. The

bank's official figure is 690 billion yen

for the amount of bad loans against

which it does not have reserves.

Long-Term Credit will withdraw

bank's dire straits.

Services, which is 40 percent held by AT&T.

The global reshuffling also has meant the effective disappearance of another once-touted rival alliance called Concert, a venture between BT and MCI Communications Corp. of the United States.

WorldCom Inc. of the United States left the future of Concert in limbo in November when it announced a sur-prise acquisition of MCL Under the newest arrangement, BT will buy MCI's stake in Concert and fold Con-Cert into its arrangement with AT&T.
At loss-making Global One, the al-

See TELECOM, Page 13

Hyundai Employees **Abandon Hard Line**

Union Accepts Seoul Plan for Some Layoffs

By Don Kirk

International Herald Tribus ULSAN, South Korea - Hyundai Motor Co.'s labor union on Friday accepted a government proposal to allow layoffs of up to 300 workers and oneyear partially paid furloughs for another 1,238 workers in an effort to end the strike that has halted production here since July 13.

After the agreement was reached, the government team announced that there now was "no cause to send in the police" to drive out sev-

eral thousand striking workers who have held the facility for a month, signaling that the strike

might end peacefully. But the company immediately rejected the proposal.

We cannot agree to the politicians' recom-mendation," said Kim Pan Kun, a managing director. The com-pany's "last proposal," he said, was for layoffs of 400 people and non-paid furloughs.

Chung Mong Gyu,
Hyundai Motor chair-

man and member of the family that owns the Hyundai group, Korea's largest chaebol, or conglomerate, charged that negotiators were "favoring the labor un-ion." Hyundai officials said the government had abrogated its responsibility.

"It's the government role to maintain the law," said Shin Hyun Kyu, chief spokesman for the company. "This country is ruled by

In a case watched by hundreds of Korean companies facing the need for layoffs, the government team gave the impression it was

Hyundai into agreement. "There are no longer three-way ne-gotiations," said Nho Moo Hym, a national assembly member dispatched by President Kim Dae Jung to negotiate a settlement after all other efforts had failed. "Government-labor negotiations do not exist. Now there are just government and company negoti-

Mr. Nho said that because the strikers had agreed on a compromise, they were no longer to blame for stopping pro-

The government team switched to the workers' side after Kim Kwon Sik, the president of the union, relented on his adamant refusal to agree to layoffs. Mr. Kim said he would accept layoffs of 250 to 300 workers and one-year furloughs for another 1,238 workers, whom the government, the union and the company

vould pay for six months. The stance of the government team

alarmed business leaders.
"It is not fair," said Cho Nam Ho, president of the Korean Business Leaders Association, made up of executives of companies. He called on the gov-ernment to "handle fairly the illegal

Bae le Dong, senior managing director of the Federation of Korean Industries, a kind of club of owners of Korea's conglomerates, viewed the terms of settle-ment of the Hyundai strike as "a very important indication of which actions can be taken by other business firms."

He called on negotiators to "accept the principle of layoffs," as demanded by the International Monetary Fund in arranging a rescue package of nearly \$60 billion in loans last December. Hyundai Motor, which employed 46,000 people before letting about 8,000 of them go with "voluntary retirement" packages and furloughs, is the first major com-

pany to attempt to lay off workers. "This may be a test case of whether other chaebol can lay off anyone or not," said Yoo Tae Ho, executive managing director of the Daewoo Research Economic Institute, an arm of the Daewoo group, which also manufactures

"The government is saying that lay-offs are inevitable," said Mr. Yoo, "but the problem is the size of fayoffs will have a great impact on the economy."

Tokyo Set to Revamp Ailing Bank

By Stephanie Strom New York Times Service

TOKYO — Long-Term Credit Bank Japan Ltd., which has become an imfortunate symbol of the problems of Japan's banking system and the government's inability to act swiftly to fix them, announced a restructuring Friday that will pave the way for an injection of public funds and an eventual merger with the Sumitomo Trust & Banking

. The restructuring was an incontrovertible sign that the government is hoping to steer the battered Japanese fi-nancial system to a "soft" landing, rather than the swift, relentless overhand

many foreign investors long for.

Its ability to pull off a gentle resolution to the massive banking system crisis, however, may be challenged by those foreign investors, who have already harshly punished Japan's banks.

"If it is to have any credibility, the

Japanese government must demonstrate that it is going to allow the market to determine final outcomes, and if those outcomes suggest losses, it can manage them," said Alicia Ogawa, banking analyst and head of research at Salomon

Smith Barney Inc. in Tokyo.

"But what they seem to be demonstrating is that they are trying to build a wall around the market, and that is just not going to work," she said.
Prime Minister Keizo Obachi, Fi-

nance Minister Kiichi Miyazawa and

Korean Firm Touts

Washer That Cleans

Without Detergent

SEOUL - A South Korean venture capital company claimed Fri-

day that it had developed the

world's first detergent-free wash-ing machine, which it said would

greatly help reduce water pollu-tion.

. Kyungwon Life and Science Re-

search institute developed the new

laundry system by applying its own water-purifying technology, said a spokesman for ShinDongBang

Corp., which has the right to market

The system changes the name of

water by using layers of special catalysts planted between elec-trodes, which give water detergent-

like qualities without causing pol-

lution, said Kim Hee Jung, who

The invention cost ShinDong-

Bang 5 billion won (\$3.8 million)

over the past seven years, the

spokesman said. The new laundry

machines will come on the market

energy than traditional laundry ma-

chines because it does not need a

nicians from South Korea's giant

Daewoo Electronics Co. produced

satisfactory results, news reports

Tests of the machine by tech-

The machine uses less water and

leads the research institute.

the product.

early next year.

rinse cycle.

here said.

numerous other government officials on Friday revealed the government's intention to shore up Long-Term Credit Bank with an infusion of public funds. The government started laying the groundwork for a taxpayer rescue of the bank earlier this week, when Mr. Miyazawa and other officials testified in Parliament that to allow any of Japan's 19 largest banks to fail would be courting worldwide financial chaos.

The rescue operation announced Fri-

day dulled the potential effect of the government's much-discussed "bridge bank" plan for resolving the problems of failed banks while at the same time keeping credit lines open to worthwhile

The announcement made it clear that the "bridge bank" plan, currently under discussion in Parliament, will probably never be used to resolve the troubles of the country's 19 largest banks. It also etched out no plan for Long-

Term Credit's future beyond a merger with Sumitomo Trust.

In exchange for government assistance, Long-Term Credit intends to write off 700 million yen (\$4.9 million) in bad debts, including some 500 million yen in loans to three of its most beleaguered nonbank affiliates, Japan Leasing Corp., Japan Landic Corp. and Nippon Enterwise Development Co. Enterprise Development Co.

Japan Leasing, which has some 1.9 trillion yea in bad debt, according to Nihon Keizai Shimbun, Japan's business daily newspaper, will be ordered to



boy whose headband says "Save Our Jobs" touring the tent city at the Hyundai plant Friday. prepared to pressure

MEDIA MARKETS

Fashion Retailers Get a Dose of Reality

Advertisers Seek Real People and Their Babies in Highlighting Lifestyle

By Jennifer Steinhauer

New York Times Service NEW YORK - Flip through the September issues of the fashion magazines in America, and there appears to be a subtle shift in the sensibility of fashion advertisers this autumn. Fashion advertising has traditionally depended on images of fantasy. But now there are signs that

fashion is trying to add a little realism. Here are a few little trends noted in advertisements in the September issues of Elle, Marie Claire and Vogue: • REAL PEOPLE: This season, real

women populate the ads. Anne Klein's campaign features a dancer, a venture capitalist, a radiologist and a mother among other women who do not model professionally. The autumn Dockers campaign for Levi Strauss & Co. relies on women in film, like the actress Rosie Perez, and an advertisement for Timex watches features the faces of three sis-

Donna Karan's autumn campaign uses professional models, but one of them is older than 40 and no longer works regularly.

The press release for Calvin Klein's new ad for a men's fragrance boasts that the model is a father of three and hints that the fact he is drop-dead gorgeous and pitches in at home makes him, to use

Mr. Klein pioneered the reality effect with his earlier advertisements, which featured unscrubbed, anti-model mod-

"When you put model, a fantasy and fashion all together, it can get to be too overpowering," said Tom Julian, a trend analyst for Fallon McElligott's New York office.

"The fashion industry has started to realize that if you make fashion acceptable on all levels, you get more

people to buy in."

• BLACK AND WHITE ALL OVER: There are so many black-andwhite advertisements in the autumn magazines that they almost resemble newspapers. In the 568 pages of Elle, 26 fashion houses use black-and-white photography for their campaigns, or nearly half the fashion ads. From Calvin Klein to Halston to Gucci to Eileen Fisher, the color of newsprint is found throughout.

True, autumn's palette — grays, dark greens and beige - lends itself to black and white. But many of these ads resemble a documentary.

"Black and white does seem to be the color of the moment in fashion ads," said Donny Deutsch, chairman and chief

executive of Deutsch Inc. in New York. "Black and white stands for reality,

Mr. Klein's favorite buzzword, very which is ironic because life of course is

not in black and white."

• BABY AS ACCESSORY: This season it seems that babies are as im-

portant as the right handbag. Elle, Vogue and Marie Claire all fea-ture cute babies in their fashion editorial pages, egged on, it seems, by Isaac Mizrahi, who recently featured rain slickers and evening gowns with matching baby carriers in his collection.

Marin Hopper, Elle's fashion director, said her magazine's decision to run an entire photo feature titled "Insouciant au Pair" was inspired by current fashion trends and baby adoration among her readers. "There was a feeling this fall in fashion that was very schoolgirl-like, a fresh innocence, from pleated skirts to flat shoes," Ms. Hopper said.

Of course, there are only so many reality factors that a reader of fashion magazines can take. A Bergdorf Goodman advertisement

features a woman in a Guy Laroche dress and coat, walking a llama down a New York sidewalk. "We wanted to position ourselves as

a little less serious," said Michael Calman, a vice president at the New York department store, a unit of the Neiman Marcus Group. "We want to show we can appeal to a younger audience, and that is generally not how we are perceived.

CURRENCY & INTEREST RATES

DOLLENGABBANA

The shift is subtle, but fashion advertising is trying to add a little realism.

Cross Rates **Key Money Rates** Other Dollar Values Corrency
S. Afr. rund
S. Kor. was
Swed. bross
Tokens S
Thel both
Turnish Ere
UAE dictom Greek drot. 303.49
Hong Kong 5 77493
Hong Kong 5 77493
Hong kong 5 72493
Hong kong 6 2256
Indian rupse
Indian 0.50 0.41 0.60 0.65 0.67 1.47 4.50 3.38 3.45 3.50 3.60 4.23 4.50 3.40 3.45 3.50 3.60 4.25

Nobel Winner Aims to Capitalize on DNA Niche

Bloomberg News

LA JOLLA, California - This is a story about an ocean-surfing Nobel laureate, an Iowa paving contractor, and a company named Questar International Inc., which has no products but thinks it can save lives.

The company, which plans to deepfreeze human genes, says it is facing an inquiry by the Securities and Exchange Commission into the movement of its stock price before a \$1.5 billion offer for 80 percent of its shares.

That bid came from Pax International Inc., a privately held Tokyo-based importer of survival blankets and waterpurification straws. The company has net assets of less than \$1 million, according to a Japanese corporate infor-

Questar's leaders are enthusiastic about their prospects. "This company will be on the Fortune 500 list within a year, mark my words," said Don Wash-burn, 49, an asphalt and roofing contractor from Cedar Rapids, Iowa, who controls Questar with his business partner, Kary Mullis, winner of the 1993

Nobel prize for chemistry.

Questar's shares have fallen about 50

percent from the 52-week high they reached just before Pax's bid was announced in June, and they now trade at about \$1.50 - well below the \$20.97-ashare offer.

Questar is in the hope business. The Hiawatha, Iowa-based company has a technique for extracting deoxyribonucleic acid, or DNA, the genetic building block of life, from the blood of healthy patients. Mr. Mullis, who patented the procedure, thinks that in 10 or 20 years, those samples could be used to treat the medical problems customers develop as they age.

Questar says it charges \$515 to isolate DNA from a customer's blood and freeze it at minus 120 degrees Fahrenheit (minus 84 degrees Centigrade), on the bet that science will eventually develop gene-based therapies for cancer, AIDS and other deadly diseases.
"It's not worth your life savings,"

said Mr. Mullis, a 53-year-old surfer from La Jolla, California. "But if it's only \$515, why not?"

Mr. Mullis and Mr. Washburn formed Histotec Inc. in 1995 to control the rights to two of Mr. Mullis's patents for DNA extraction.

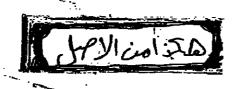
Last year, Histotec licensed Mr. Mullis's patent rights to Questar in exchange for 66 million shares of Questar, now worth about \$100 million. That gave Histotec about 74 percent of Quest

Questar announced June 7 that Pax International had offered \$20.97 per share for 80 percent of the company. That was six times the \$3.25 the shares fetched the day before Questar issued its press release.

Since then, Pax has neither explained how it will finance the offer nor filed any public documentation of its bid. And the stock, which peaked at \$5.50 on June 3, has not even come close to the offer price.

"It sounds like a fairy tale to me." said Phil Feigin, a former president of the North American Association of Securities Administrators and now Colorado's securities commissioner.

See QUESTAR, Page 13



THE AMERICAS

Investor's America 30-Year T-Bond Yield Fristay Press 94PM Cities 8533.65 861.641 Exchange · VIOLEX us. US S&P 100 NYSE Controlle: 586.82 546.28 AUS Nasdag Composite 1797.63 1852.84 1:90 AMEX Composite 551.85 963.63. 71.77 U.S. U.S. . 2413.15 (3498.8) 42.45 Mexico City 407.12 441.83 2.88 TPSA General 3598.29 3662.22 Caracas Capitel General 3158/76 3450.64 34.48

Very briefly:

- Smith International Inc., the seventh-largest U.S. oilfield Russian assets got marked down service and equipment company, will buy the 36 percent of an oil-drilling fluids joint venture that it does not already own from Halliburton Co. for \$265 million.
- Oracle Corp. will acquire Versatility Inc., a software maker of telephone sales applications, for about \$12 million. • Cisco Systems Inc., an Internet networking provider, will acquire privately held American Internet Corp. of Bedford, Massachusetts, for \$56 million in stock.
- Morgan Stanley Dean Witter & Co.'s Novus Services Inc. and US Audiotex have teamed up with the Internal Revenue Service to allow U.S. citizens to pay their federal taxes with credit cards for the first time next year.
- Circus Circus Enterprises Inc.'s second-quarter profit rose to \$25.3 million from \$24.5 million a year ago, exceeding expectations, as renovations at its properties drew more
- Argentina postponed indefinitely the sale of its remaining 20 percent stake in oil producer YPF SA after a plunge in the shares reduced the amount the government would obtain from Bloomberg, Rewers

The Trib ln	dex	Prices as of 4:00 P.M. New York time.			
Jan 1, 1992 = 100	Level	Change	% change	year to date %change	
World Index	184.13	— 4.27	2.27	+ 6.98	
Regional Indexes					
Asia/Pacific	74.49	0.96	1 <i>2</i> 7	— 22.46	
Europe	219.38	 8.62	3.78	+ 13.64	
N. America	249.70	— 1.13	0.45	+ 15.61	
S. America	97.05	5.14	5.03	— 36.43	
ndustrial Indexes					
Capital goods	252,42	— 4.36	 1.70	+ 22.20	
Consumer goods	224.04	3.08	— 1.36	+ 6.82	
Energy	186.85	— 3.51	. — 1.84	4.16	
Finance	129.39	— 4.68	3,49	+5.23	
Miscellaneous	142.08	— 5.04	— 3.43	~ 5.20	
Raw Materials	167. 39	4.23	2.46	+ 0.09	
Service	196 <u>.2</u> 7	— 5.33	- 2.64	+ 12.60	
Utilities	149.36	5.66	— 3.65	10.49	
The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries. Compiled by Bioombara News.					

Precise Trade Execution Superior Managed Account : On-Line Trade Execution Round-Turn \$12-05 Fx 2-5 Fx 2-5 Fx
Pow Strass International Toll-Free Telephone Numbers

### Friday's 4 P.M. Close he 200 most traded stocks of the day, up to the closing on Wolf Street. The Associated Press. The Associated Press.	-		-			M	EX	-	_	_		_
Sect						3741				_	_	
## Soles High Low Laboral Time Associated Press.	Frida	y's	4 P.	M. C	lose	<u> </u>	Slock, Interes	Sales		15t	LERES.	1996 — 《中华中华的中华中华的中华中华的中华中华的中华中华的中华的一种中华的一种中华的一种
Time Associated Press.	1 (100 Since)	nusi iru Me dos	iaa an 1060 21	Waii	r me o Street	ογ,	interizing Interizing	1264	494 711	Ä	14	.u
Soles Wight Low Labour Crops 1677 1576 1676	•				L		intAins insCambi	217	九	(A)	7 4	4
Seles High Low Lohn Crops 1670 1570 1670 1				-			ioni,eser	394 394	274 90%	194	3	- TA
1676 1676 1676 1676 1676 1676 1676 1676 1676 1676 1676 1676 1776				Low		Cirga	Janisell Kales g	364 685	4	34	<u> </u>	**
Manual	N	1678 700	1 <i>91</i> a	idk Ga	1456 576	-78	LXRSBat LSBars	20 20 20 20 20 20 20 20 20 20 20 20 20 2	154	3175 176 486	14	-74 -15
Section Sect		幺	274 44	24s	7% Ai	+%	MDCg Mogellank	228 112	99% 495	W ₃	9% 4%	-14
1969 1404 1104	ricog Tito	508 190	7274. 1574.	214 154	2196 154	Ţ	ManyGap Mousap	20 27)	24	en.	9	-70
17.53 17.0		569 562	14%	1195	139a 37a	-2%	Medica MagrAir	7786. 1754	7		-//E - 47a	-14
100 110 100 110	ses Ses	1753 2057	14 74	11/4 67/4	10	12	MU RUBL o	414 274	944 940a	84m 94m	944	+1
1985 1986	MIG MIG	989 1287	114 127	104a 17	11 1736	+**	MalashiSC)		2% 18	2	296 296	7
Section 1964 79, 270 2	æća Œ	加加	599 5	470 470a	55) 48	• ***	Minosine Wincom	278 685	25	230	24% 1	-10
Section 1971	ale 	1064 [37]	24	/4: V	24s	+14	Hobers HotSev	579 202	16\$ <u>4</u> 10\$	194 184	1010	- %
April Apri	170 %	197	21W	20M	뿄	-146	MA VECC Femilies	1501	7ya 2yn arson	14 14	1	,
1500 1500	rdD o	劵	572 574	44.	1	+144	Oncer	5	Fi.	7	7h.	+1
200 200	Gala Lo	4576 190	374	354	116 31	.v.	Orgango s PC Goods	1634 991	14174	1374 138	140s 110	• 14
The color 197	ike Si	30) 20)	g ga	201 174	79% 19%	-ta	PLC Sys	927 14	291 180	雅	294 1014	
Apr	Č.	招	34	3h	69a 31a	+1	Pocyfiden PonsoC	1350	12	116	116	-1
120 120	¥.	# W	519 213	24	74.	• ***	Plagnesa	落	2	ï	3	•
200 200	MED PYSID S	1457	SP _a	137	877A	-14	PodSys Presents s	457 210	25	74 147	76 24±	-14
Section Sect	koci e	34	151	15%	15%	4	Premitté s Produg	. 327 . 549	1934 3144	184 304	184 314	41
124 124	noks	猫	2) W	20% 21/2	77	+ K	PriceCres RF Pos	. 27 Se	27ra	1894 274	7	
Regard 123 746 747 748 448 Regard 1224 148	Nap 1	427 2112	174. 54s	12%	124 54	+ 1/4	Ribogite a	721 193 HLC	491 914	4	4	- H
## 174	erca Ap	253 1224	7/	7	784	+ 1/4	RoyalO s	2274 785	724	l) Th	Va V	* 1
### Care 1839 1294 1695 119 129 1294 1695 119 129 1294 1695 1294 1	Awi Ama	74 37	1	74	Ph.	*	SebsPet SetSPHS p	714 194	19% 1479a	14	14	
### 197		1839 1839	1294	16%	11	7	Sealing Sealing I	**	746	en H	7/1	-12
Part	7.00	197	4	8ħ	~	-F.	Seructive of ServaStra B	經	69k	134	14h	-
	Mail Mail Norm	177	24.	79k	Z.	-	Spong	1098	13%	125	13	-17
### 200 30% 79% 29% 29% 4% 55% 50% 50% 50% 50% 50% 50% 50% 50% 50		376 377	14	17-	ii.	-76	Spins Spinson	143981	1876	地址	100%	-1%
2005 141 150	Ē.	2340 251	30 A	294 24	29% 29%	-4-	Stilletold, Services	(2) (2) (47)	26.00	2011	26%	-11
197 184 185	पेसर कह	5075 437	14	140 84	14m 97a	₩.	SerenyC TelCo	215 574	24 27	76 174	7% 7%	-Va
Thursday 10 10 10 10 10 10 10 1	n R	199 1380	(GA	1674 76	lon Pa	**	Tanen Terdikata	河 94	19h 37h	1 % 3 %	7% 3%	7 Mg 1 Hz
The color The	0257 89	78 64	16% []	1674	1616 1874a	7	Thornes Thornes	327	164 164)))a 15%	15%	- 55 - 14
17 17 17 17 17 17 17 17	(6) 100 100	200 227]*) 24 44	772	7	- 15 - 15 - 15	Tanaser Tanser	12% 799 342	17% 94	1071 Pik	17 Pag 10-	-
1865 1864 1974 1976 1976 1876	Pr L61	1273	4	374	40%	+154	TWA	1916 357	77	(A)	7	**
1997 4 286 4 4 4 4 4 4 4 4 4	adil nello	325	1	5. 10	ÿ _k	+7/0	Tabilian USPCP	200 437	70 ₁	44 15%	1674	- 1
### 470 ### 270 ### 7-0	1040 31	1379	1274	115	17	4	UTI Eng 3 Umoptx	372	74	98i 374	10h	- 14 - 14
10 10 10 10 10 10 10 10	F#	470	133	134	13%	7	Usando Volanor	75	19% 9%	195. 196	16 ₉	+%
The column The	erii Int Ion	210 427	, 34 , 34	<i>7</i> 4,	34 34	-17	USBlasd USB CA	416 222 327	## ##	304	, 57% 64% 31	-160 -160
	29 19 Volt	1026	17 15	14	3978 174 184	- <u>F</u>	Vincian .	7170 2006	65% 60%	77	914n. 9774	不知以明明也一次其前一年七四年安集中華
gar 1011 15°m 10°m 10°m 15°m 10°m 15°m 10°m 10°m 10°m 10°m 10°m 10°m 10°m 10	#4.5	1817 2531	113	15	110	- No.	Visit will Visit 9	72	74 72	744 Ya	Ja Va	-
THE COLUMN TWO PARTY AND THE COLUMN TWO PARTY	Or Otr	14) 1 1211	3	74	15Y.	- Jā	WRIT	344 194	16% 13%	16%	熟	* PE
	g/ Ri	100	44 1694	100	35	4	Windows C	爱	7% 2%	274	2	-74
ang 2474 2794 24 24 1947192≉ 257 7294 2194 2194	<u></u>	ill.	1	7	24 24	-7a	WENT	10 107	25 ⁴⁷ 1 2271	黎	200 214	4
Norm 2001 No. 75, 78, 41 WEBHIK 1146 637, 651 651 1007 NO. 1016 1946 196 196 116 270 265. 256	SCHE.	2491 201	BV.	76 197	78 <u>1</u> 1946	4	WEB HK	1146 316	(2) 27)	en Mil	200	**
primate talk 6 5% 30% 40% WESTIAN 1983 PM	Marcia X	14	44	5%	SYs SYs	-1/6	MES IN	1,500 1,604	70	74	29% 29%	**

AMP Board Turns Down AlliedSignal's Offer

HARRISBURG, Pennsylvania AMP Inc.'s board rejected Al- \$2.50 to \$36.675. liedSignal Inc.'s \$9.8 billion acquisition offer on Friday, saying it was inadequate and not in the company's best interest.

AMP also overhauled its top management, naming Robert Ripp, an executive vice president at AMP, as the electronic equipment maker's new chairman and chief AMP's chairman, James Mar-

ecutive officer, William Hudson, will step down to become vice

fer of \$44.50 in cash per share for all of AMP's outstanding shares. AMP shares were quoted \$1.375

while AlliedSignal had fallen

the inherent value of AMP as the world's largest supplier of elec-per share in 1999 and \$3.00 per trical and electronic connectors." AMP also said its businesses

were not compatible with Allied-Signal's chemicals, auto and aerospace parts operations.
The board said it was committed

ley, will retire, and the chief ex- to revitalizing AMP and thought its stock price would increase signifchairman of the board,
AMP's board was unanimous in rejecting AlliedSignal's tender of

am Milton, analyst at Brown retire soon Mr. Hudson was sched-

lower at \$37.675 in late trading. Brothers Harriman.

AMP said savings from the plant closings and job cuts should gen-In its recommendations to AMP shareholders, the board said AliedSignal's offer "does not reflect next year and 16.5 percent in 2000. share in 2000, AMP said.

AlliedSignal is waiting for AMP to file its rejection with the Securities and Exchange Commis-sion before it responds, an Allied-Signal spokesman said

AMP had accused AlliedSignal this month of pressuring its 11icantly as it continues to restructure member board by urging shareholders to add 17 pro-Allied seats to the AMP board.

eliminating about 3,500 jobs.

"The board had been in the proremain independent," said Williremain independent," said Willimediate the proremain independent, said Williremain independent, and williremain independent in

uled to retire midyear 1999, the company said.

Mr. Ripp, who joined AMP as its chief financial officer in 1994, is responsible for many of the company's profit-boosting efforts. He was named executive vice president in charge of AMP's global businesses this year. Before joining AMP, Mr. Ripp was vice president and treasurer of International Business Machines Corp.

AMP is the world's largest manufacturer of electrical, electronic, fiber-optic and wireless interconnection devices and systems. The company has 48,300 employees in 53 countries. Its sales reached \$5.7 billion in 1997.

point drop before recovering.

for gains of up to 10 percent.

much with us, there is no prospect

Investors who agree with Mr.

Yardeni should join the flight to the

bond market, where he sees further

gains. The 30-year bond, he pre-

dicted, would end this year at a 5

percent yield, 1999 at 4 percent and

FOREIGN EXCHANGE

bankruptcy this year.

As Company

Goes Under

Bloomberg News NEW YORK - The dollar rose

strongly against the yen Friday on

signs that Japan's banking crisis is

after Okura & Co., a Tokyo-based

trading company with strong links

to Fuji Bank, said it was seeking protection from creditors in what

would be the third-largest Japanese

down the yen," said Rick Zandezer,

"Problems in Japan are bringing

Concerns about banks mounted

deepening.

Yen Drops Collette Fine

...

. .

mar 🦮 📲

1,44

-

1 1 1 to

· 4 ()

117255

a currency trader at Friedberg Commodity Management. "A large company was declared bankrupt, and there are still unresolved problems with bank debt."

The dollar was quoted at 4 P.M. at 144.775 yen, up from 143.125 year

on Thursday. Meanwhile, concern dwindled that Japan would intervene in the industrials are now about 10 percent below their record of 9,337.97 points, market to support the yen, as a host of Japanese finance officials had set July 17, but Mr. Yardeni predicted they could show a 30 percentage threatened in recent days. The warns ings had knocked the dollar down

about 3 percent since Aug. 11.

They were very pointed in their "The Asian disaster is still very come through," said Thomas Benfer of Bank of Montreal. "They cried wolf." intervention threats and they didn't that it is going to go away," he said. This means corporate earnings in America are likely to rise just 2 percent this year, far below hoped-The yen was also hurt as the trott-

bled Long-Term Credit Bank of Japan said it would seek taxpayer money to help get its house in order before merging with Sumitomo Trust & Banking Co. Economists viewed the move as a sign the govi ernment would continue to protect ailing banks under the so-called convoy system, rather than take tougher measures, such as letting crippled banks fail.

The old convoy system is alive

and well if they're going to put public funds into" LTCB, said lay Bryson, an international economist at First Union in Charlotte, North Carolina. "It's a negative for the

Against other currencies, the dollar slipped to 1.7985 Deutsche marks from 1.7989 DM. It dropped to 6.0280 French francs from 6.0300, and to 1.5023 Swiss france from 1.5058 francs. The pound rose to \$1.6357 from \$1.6310.

Analysis said they did not expect the dollar to slide too far against the mark as long as Russia's economic troubles deepened. Germany is Rus-

MARKETS: Stocks Drop as Asian Problems Wash Up in Russia and Venezuela Earlier this year, he noted, Wall Street rose to record highs. The Dow

Continued from Page 1

Smith Barney Inc., "is huge liquidsically what started it was prices of really substantially.

Because many investors in emerging market instruments borrow money to take their positions, Mr. Lachman said, lenders began demanding partial repayments as the value of rates shot up for emerging-market Russian stocks and bonds numbled. To economies, Mr. Lachman said. meet these margin calls, investors

ternational quoted currency traders in New York as saying the Venezuelan central bank would allow the bolivar to float anywhere within its fluctuation band of 516 to 600 to the dollar, rather than defending the midpoint of 558. The bolivar, which was trading at 575 to the dollar, is vulnerable because the country depends on petroleum inand energy prices are weak, reflect-

ing the slowing world economy.
In developed Western markets, the view is that "Asian and Russian trouble just won't go away," said Alan Ackerman, executive vice president at Fahnestock & Co. negativism in the air and the flow of

Nasdaa

NYSE

AMEX

U. S. STOCK MARKET DIARY

Compag s
Ligani s
Ligani s
Chasan s
Teleresi
Chicare
Peace in
AndOnine
Philips
Gentales
Gentales
Gentales
Gentales
Gentales
Dianey s

Nasdaa

7eksy 4 P.M. 1299.61 618.65 239.50 122.22 1081.24 534.19

moving toward the bond market." The price of the benchmark 30year Treasury bond rose 1 1/32 point ations of positions following the Friday to close at 100 28/32, sending Russian debacle on Monday. Bathe yield down to a record low 5.45 percent. That compares with a 5.52

U.S. STOCKS

percent yield earlier this week and a 6.6 percent yield a year ago. European bond yields also declined, but interest

Last month, he said, borrowers in began liquidating other holdings.

Venezuela was particularly hard hit because of fears it might devalue its currency. The United Press Inhad widened to 13.4 points, meaning that emerging-market borrowers had to pay interest rates in excess of 18.5 percent to attract investors. Such levels, Mr. Lachman said, were not justified by economic fundamentals in many of the countries.

These "exorbitant" interest rates will also force the countries to reduce their imports, putting downcome for about half of its revenue ward pressure on the American economy, which has remained relatively healthy since the onset of the deflationary pressures last year.

Mr. Ackerman noted: "The U.S. economy continues to be attractive: Inflation and interest rates remain low. There is, however, growing 'Many market watchers are talking concern about currency devaluabout weakness in several emerging ations elsewhere in the world and markets as leading to a domino-type the real possibility that the Clinton-effect. For now, that may be a bit lewinsky matter has in some ways overstated, but there is a growing devalued the U.S. presidency." He added, "Weak government

我們的情報取得仍然你在尚有者有

Edward Yardeni, chief economist at Deutsche Bank in New York, predicted a bear market would persist past the turn of the millennium. Mr. Yardeni has been warning for months that the Year 2000 computer problem is likely to cause a global recession on its own.

"My problem is that I think the Asian problems are just a warm-up act for the Year 2000 problems," he said, adding that the combination of the two would result in a bear market that will last for several years.

"When bad news strikes that turns a bull market into a bearish one," he said, "the initial reaction of investors is to sell stocks, but then they go into denial mode. That's what happened last year, Asia did hit the market hard in October, but then there was a groundswell of belief that it didn't matter much.'

The outlook for low interestrates in a still-growing economy is one factor limiting the damage on Wall Street.

Metzler to Expand With Peterson

2000 at 3 percent.

CHICAGO - Metzler Group Inc., a consultant to electric, gas and water utilities, agreed Friday to buy closely held Peterson Consulting for \$191 million in stock to expand its information-management services.

The number of shares Chicagodepends on the average closing price of Metzler stock in the three days before the sale is completed.

Peterson gives Metzler, which had \$84 million in 1997 revenue,

more consulting expertise in information-management services, such as helping clients prepare computer databases, said Robert Maher, Metzler's chief executive officer. Mr. Maher said he expected Peterson, which has 18 offices in the United States and one based Metzler will pay for Peterson in London, to have more than \$80 million in revenue this year and \$100 million next year.

He estimated the acquisition would increase Metzler's earnings starting in the third quarter.



+0.01 +0.03 +0.05 +0.05 +0.06 +0.06 +0.06 +0.07 +0.07 +0.07 +0.07 GERMAN MARK (CMER) MEDUCAN PESO (CMER)

FT-32 too (LIPE)
E25 per Indiae point
Sep 76 5660.0 5675.0 5485.0 -201.0
Dec 96 5712.5 5572.0 5567.5 -202.5
Men 99 N.T N.T 5620.0 -202.0
E31. soles: 21.778, Prev. soles: 30.525
Prev. open Int. 202.500 up 2.656

題列的 長 質利

Swedes Find Bull Market for Jobs in Reindeer Country By Warren Hoge New York Times Service Goteborg needs to go to Nigeria and then to Chile. The artifune tickets and hotel reservations are made in this village, where Lapps still herd ADVITYCIALIR. Sweden Goteborg needs to go to Nigeria and then to Chile. The artifune tickets and hotel reservations are made in this village, where Lapps still herd ADVITYCIALIR. Sweden Goteborg needs to go to Nigeria and then to Chile. The artifune tickets and hotel reservations are made in this village, where Lapps still herd ADVITYCIALIR. Sweden Goteborg needs to go to Nigeria and then to Chile. The artifune tickets and hotel reservations are made in this village, where Lapps still herd Goteborg needs to go to Nigeria and followed all his friends out of here had it not been for the booking director of the Office of Trade and Industry in Arvidsjaur. "Now the figures have switched completely." "Also, you see how closely vollage that he would have followed all his friends out of here had it not been for the booking director of the Office of Trade and Industry in Arvidsjaur. "Now the figures have switched completely." "Also, you see how closely vollage that he would have followed all his friends out of here had it not been for the booking director of the Office of Trade and Industry in Arvidsjaur. "Now the figures have switched completely." They cut 60,000 cubic meetrs, and "Well, for one thing, it m well and the would have followed all his friends out of here are a year." said Sara Andersson, director of the Office of Trade and Industry in Arvidsjaur. The world of the office of Trade and Industry in Arvidsjaur.

colored wood carvings at the open-air market in Arvidsjanr. Boosters of this town near the Arctic Circle hope it is a talisman of their future. It is a computer mouse pad, made

from remdeer hide. In an effort to slow the flight of people from what is already one of * the world's most sparsely settled areas, the Swedish government is encouraging businesses to set up computerized telephone-call centers in remote villages like this one and to staff them with young people they find that even outlying who otherwise would be scouting for work in the population centers to

"Until now, as soon as they got an education, it was either Stock-holm or abroad," said Barbro Medin-Leven, the regional development lanning director for Norbotten, Sweden's northernmost county. . A resident of Malmo on the south epast calls for a plumber, a carpenter or a locksmith who may be a block away, and the transaction is handled percent by 2000.

instantly here, 1,600 kilometers

Sykes, a large call-service agency based in Tampa, Florida, has opened its customer support center for Scandinavia in the small northern community of Sveg, and in nearby Ljusdal, DHL, the international air courier company, has placed its hub serving eight European

The companies benefit from special investment and operating subsidies that the government provides for enterprises that locate in the north. And parts of Sweden have a supply of educated, keyboard-literate young people with the Swedes' noted abil-

ity to function comfortably in several languages. Swedes and telephones have a kilometer in all of Sweden and 144 cozy relationship. Sweden has the highest number of lines per person — 70 for every 100 inhabitants—of Forestry is the area's traditional any country. Forty-four percent of Swedes have mobile phones, and

David Hansson, 21, slipped off

handled a call next to him from a Stockholmer who needed flight con-

"Before, the best thing you could endure winters with temperatures as one for was a job in a supermarket, low as 30 degrees Fabrenheit (minus hope for was a job in a supermarket,

I am in the business of marketing the cold, the darkness, the snow and solitude,' said one promoter.

nections to Cincinnati.

and you want something better than that," Mr. Hansson said.

There are only 2.4 people per square kilometer up here compared with an average of 21 per square kilometer in all of Sweden and 144

business, but with the closing of outdated plants and the mechanizthat number is expected to rise to 60 ation of others, the number of jobs has declined drastically.

"I used to work as an admin-(1,000 miles) away. Someone in his headphone on a recent day and istrator in a sawmill that employed on the question of what's so great

"Well, for one thing, it makes

you appreciate how good it is to step into a warm house," she said. 'Also, you see how closely we all live together. You're not alone the way you are in a large city. All the there are only 20 employees.' Arvidsjaur is not an easy sell. The children here are everybody's chil-

town's 5,000 inhabitants have to She went on to explain that it is actually not darker here than in the south because all that snow reflects 34.5 Celsius) below zero, six the light. It is also a lot easier to get across town. "I have a sister who feet of snow on the ground and no sun in the sky for all but four

lives in Stockholm, and she can nevhours of the day, Ms. Andersson, a native of an even smaller nearby village called Akkavare, is undannted, though "I am in the business of er make it home in time to get to a store that closes at 7:30," she said. Arvidsjaur does its best to take advantage of its frigid winters. It put a nine-hole golf course on two frozen lakes and supplies colored marketing the cold, the darkness, the snow and solimde," balls and beavy-duty gloves to play-

she said cheerfully.

She has compiled a register of men and women who fled for the ers. It has also created a booming local industry in winter testing fasouth, and she is determined to woo cilities for automobiles, using the some of them back. "They're my frozen lakes and large expanses to target audience," she said. "It is simulate hazardous driving condidark and cold, and you have to be brought up here to be comfortable Nearly 50 companies send ve-

hicles and test drivers here. "What they need is the extreme cold, and we can guarantee that," said Mats Ms. Andersson cultivates Nordic moxie. She offered a visitor a hinch Lundberg, 34, an Arvidsjaur man who was lured back home by a job in of air-dried reindeer meat, local almond potatoes and golden cloudberries for dessert and eagerly took the business.

Germund Nilsson, area manager of Nyman & Schultz, said there were many advantages to doing business in Arvidsjaur. "It's cheaper to hire people up here, and they're more loyal because they're not easily going to cross the street and find another job," he said. "It's not just being socially conscious," he added, rubbing invisible cash between his thumb and forefinger. "It's this

Inga-Lill Gustafsson, the reservations manager for Hertz, said expected wage increases of nearly 6 callers liked hearing the broad percent this year, as well as concern northern accents of her booking the minority government will not be agents. "We're not like all those she said "They think we sound

honest and dependable." Asked about this, Ms. Lidstrom, so nice.' Then they want to know if

A thought that knows no geography came to her and she smiled. "Actually it doesn't matter where we are," she said. "They're just so

Investor's Europe FISE 100 Index CAC 40 ... 4000 --3800 -5200 -3600 4600 M A M JJA 1998 Brokestee 5200 M A M J J A 1,154.51 1,187.58 -2.78 3.883.70 3.466.56 2.39 DAX n. Slock Market 5,163.51 5,488.22 5,92 HEX General 4,772.98 4,979.19 -4.14 549,73 373,77 -4.19 5,477,66 5,667.40 - 3.96 **833.95** 677.85 -5.00 3,943,68 4,087.49 -3.52 3,930.05 4,073.51 -8.52 1,298.81 1,367.40 -5.05

Very briefly:

• Hoechst AG denied a charge made in a U.S. lawsnit that it tried to fix prices of its best-selling heart drug, Cardizem CD, but the German pharmaceutical company said it had an agreement with Andrx Corp., a maker of a rival product, pending the resolution of a patent-infringement lawsuit.

 De Beers/Centenary AG, the world's largest diamond producer and seller, plans to renew its agreement to buy diamonds from RAO Alrosa, a Russian diamond miner, for at least three years.

• LM Ericsson AB of Sweden has bought property in central London for 1 billion kronor (\$123 million) and plans to move part of its British operations there. The move revived speculation that it could move its headquarters abroad because of a sluggish business climate in Sweden.

 Thomson Travel Group PLC, Britain's top package-tour operator, has bought Crystal International Travel Group Ltd. for £66.2 million (\$107.7 million) as it seeks to develop its specialist tour businesses in Britain.

• Rabobank Nederland NV's first-half profit rose 16.3 percent to 1.16 billion guilders (\$571.8 million) as the largest cooperative Dutch bank was helped by low interest rates and

 Dutch retail sales rose 5 percent in June from a year earlier, with more confident consumers spending more on computers: and other electronics amid falling unemployment.

Sita SA, Europe's largest waste services company, said second-quarter sales rose 79.4 percent to 4.81 billion French francs (\$799 million) from a year ago, bolstered by last year's acquisition of the French business of Waste Management Inc. as well as the European and Asian operations of Brown-

Norwegian Central Bank Raises Interest Rates

2 6

mised benchmark interest rates by prices should fall further." 1.5 percentage points on Friday, the

put pressure on the krone.

Norges Bank raised the deposit percentage points in March, May, une, July and August

John Butler, an analyst at WestLB move will be enough to support the ans. "I can't see that the interest rate percent from 2.5 percent. At the creases.

WORLD STOCK MARKETS

currency, and additional rises may level after this increase will cause so same time, unemployment is ex-OSLO - Norway's central bank be forthcoming, especially if oil

The increase follows repeated sixth increase this year, to shore up warnings from the central bank that the krone to support the currency, In addition to low oil prices, the the krone after the currency fell to its the economy may overheat. At the Mr. Storvik said, adding that it has krone has been burt by higher-thanlowest level in nearly six years on same time, a global supply glut has pushed crude oil prices to near 10-Low oil prices and concern that year lows, hurting oil producers fiscal policy would not be tight such as Norway, which is the enough to cool the economy have world's second-largest oil exporter

after Saudi Arabia. The krone has fallen about 8 perpate to 7.0 percent from 5.5 percent cent against the Deutsche mark and the overnight lending rate to 9.0 since the start of October. On Fripercent from 7.5 percent, the highest day, the krone recovered, with the

> "I believe this rate increase will contribute to stabilizing the krone rate," Kjell Storvik, governor of

much damage on the economy that it pected to continue falling, putting can't be defended over time. The bank has not stopped buying

not been using large-scale interventions this year. With the krone still weaker than

the bank's target, more rate increases may come, analysts said. "It's too early to say if the hikes will be enough," said Oystein Stephansen, the head of research at

like the central bank is determined since March 1993. Before Friday, mark falling to 4.2991 krone from to get on top of things."
the bank raised rates by a total of 2 4.3211 krone on Thursday.

The central bank expects ecoto get on top of things."

and 1 percent of gross domestic
The central bank expects economic growth to accelerate to 4.25

and 1 percent of gross domestic
product. Still, the budget process
around our streets."

A thought that knows no geogpercent next year from 3.5 percent ment will have to compromise either this year, fueled by oil and gas ac-

High Low Clase Prev.

pressure on employers to raise wages to attract workers.

able to garner enough support in stressed-out people in Stockholm," Parliament to cut government spending in an effort to reduce demand.

Prime Minister Kjell Magne Stephansen, the head of research at S-E-Banken in Oslo, "but it looks aims to tighten the 1999 budget, due just laugh and say, 'Oh, you sound on Oct. 5, by between 0.5 percent Research in London, said, "It is Norges Bank, said, according to the tivities and consumer spending, oppose reduced spending, or with unclear whether even this bold Norwegian news service TDN Fin- while inflation is set to rise to 3.0 rightist parties that oppose tax in-

happy that someone answers the phone." Ferris Industries Inc. Toronto

Market Closed The stock market in Tel Aviv is closed on Fridays. 392 1.06 7.60 1.36 0.95 2.13 1.35 2.61 12.70 1.30 2.54 1.30 2.54 1.30 2.54 1.30 2.54 1.30 2.54 SX 16 Index: 3738.85
Previous: 4072.91
110.02 112.00 90.00
172.59 72.50 90.00
172.59 72.50 97.50
173.50 137.50 138.50
173.50 137.50 128.50
173.50 132.50 138.50
173.50 132.50 138.50
173.50 132.50 138.50
173.50 132.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 138.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174.50 174.50
174 Vienna www.woaz.ato Bank Austrio Bund. Vers. Creditorsi Erste Bank Evin Generali Hog ONAV Leichtiz VA Tech Wienerberg Be 116.00 98.00 107.00 142.00 186.00 186.00 186.00 201.00 201.00 201.00 201.00 101.50 101.50 101.50 102.00 102.50 102.50 102.50 102.50 102.50 102.50 102.50 102.50 102.50 102.50 102.50 807 814 855 856 1080 1090 760.05 1774.75 760.05 1774.75 1110 1140 2092 2095 1312 1315 2738 2794.70 905 859 752 1850 2900 1285 2128 1402 2798 Wellington
www.nzse.co.nz
Ak N Zeold B
Boterly min
Carter Holt ord
Petch Ch Bridg
Petch Ch Eny
Pletch Ch Eny
Pletch Ch Eny
Pletch Ch Poper
inden, News
Lian Northun
Sky Network
Telecom MZ

Friday, Aug. 21 | Duratico | 485 | 445 | 470 | 485 | 485 | 485 | 485 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | 486 | ## 0500 ## 0773 ## 125 ## 2575 ## 125 ## 1250 Frankfurt DAX:5163.51 Johannesburg Al Market: #28.15 Province: 671438 Asidos 255.00 212.00 277.50 224.00
Alloma 260.50 551.00 565.00 66 Montreal BCE Math Com Stochem Photos Can Util A CT First Sec GI-West Lifeco Investors Grp Lablaw Cas Nati Bit Consta Power Fari Late Making 7.00 7 19.00 Accommend Advantage Accommend Advantage Advantage Advantage Advantage Advantage Advantage Advantage Advantage Accommend Advantage Accommend Advantage Accommend Accommendation Accomm 106.50 108.50 111.00 95.00 97.00 98.00 118.0 Paris

www.bourse-de-paris.fr

Accord

AcGF

AF Liquida

Alcarda Alcard

Alcarda Alcard

Accord

Accord

BAI

Completion

Completion Kuala Lumpur
www.kise.cost.my
Berjaya Sports 1.26
Genting 2.50
Golden Hope 2.60
KJ, Kepony 5.15
Magneim 4.98
Mad Boolding 1.22
Met Ivil Ship F 4.70
Petromas Ges 4.10
Public Bk F 0.36
Reants World 3.62
R/MB Capital 1.15
Realismans PM 21.78
Realismans PM 21.78
Realismans PM 21.78
Teladom Mad 1.75
Teladom 1.67
Teladom 1.67
Teladom 1.67
Teladom 1.50
Teladom 1.50
Teladom 1.50 32500 32980 29980 30750 8995 9040 7955 8140 8725 8805 52300 53280 21480 21700 33000 32310 31000 29710 9130 8890 6226 7870 6845 8700 53250 51060 22100 21360 | 128 | 147 | 147 | 147 | 158 | 147 | 147 | 158 | 147 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 Maciric
www.bolsemonth
ACESA
Agrots Sercelon
Argentario
SSV
Sensisio
Sec Popular
Box Centro Hisp
Sec Popular
Box Statistics
Box Continents
Box Statistics
Box Statistics
FECSA
From Coaste
Grapo Acciono
Bertriolo
Pryca
Regnot
Telefanga
Union Fecora
Union Fecora
Union Fecora
Union Fecora 185.00 177.00 183.00 184.00 40.75 32.55 35.00 47.00 187.00 153.00 153.00 183.00 184.00 184.00 183.00 6.98 45.90 184.00 183.00 6.98 45.90 45.00 35.00 7.00 384.00 38.00 38.00 9.90 8.90 43.00 38.00 9.90 8.90 43.00 183.00 9.90 8.90 43.00 183.00 HEX General Index: 4772.96 Previous: 4779.12 I-lessink
www.hse.f
Cultor 2
Ense R
Hutstanunki 1
Alecto A
Metho B
Hessia
Nokia A
Orion-Ytstymou
Oriofeampu
Potipala ins. B
Roksia V
UPM Kymmen \$4.50 \$4.50 \$4.20 \$4.20 \$4.50 \$7.90 \$7.00 86.00 47.50 285.00 286.00 286.00 286.00 286.50 286.50 286.50 286.50 286.50 286.50 286.50 286.50 286.50 286.50 286.50 286.50 10.867.55.0.684.6616666667.11160.8867.55.01160.1160.1160.1160.1160.1160.1160.1160.1160.1160.1160 Manila
www.pse.com.ph
Ayelia
Ayelia
Alpab Land
Bit Philip is!
Monito Elec A
Monito Elec A
Monito Elec B
Melio Bank
1
Petros
Phil Long Diet 8
Son Mignet A
Son Mignet A
Son Mignet A
Son Mignet B
SM Prime Holy

Mexico
mem.berr.com.msr
Alfa A
Conta C
Indons B
KimCont Mex A
Televien CPO
1
Tel-Mex L
Lobs budger Hong Song: 7527,67 Previous: 7740,53 PSE Index: 1272.46
Previous: 1390.92
7.40 7.40 7.46
8.80 9.16 8.70
9.450 7.50 7.50
9.600 60.00 60.00
9.600 162.00
7.7.00 180.00 182.00
7.7.00 180.00 182.00
9.00 7.7.00 180.00
9.00 7.7.00 180.00
9.00 7.7.00 180.00
9.00 7.7.00 180.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7.00 7.7.00
9.00 7.7. 7.40 9.20 76.50 61.00 86.00 185.00 2.70 900.00 39.00 48.50 6.00 Sydney
www.esc.com.es
Asser
Asser
Asser
Asser
Bors
Bors
Bors
Branibles ind.
CBA
CC.Asser
Coinsist
Countie
Coun 675 71985 10340 11340 31982 11340 11 BEL-28 index 2002.70
Product: 2442.54
5 2000 2070 1930
5 2590 2570 2510
7 2442 2770 3100
1 5555 1935 1930 1937
5 4515 4530 4535
1 4530 1930 1930
1 5555 1935 1935 1935
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1930 1930
1 403 1 ZUTICH
INNIVIDUISE.CH
ABB B
ABB B
ABB B
Adecm
Alassisse R
Aver-Seronn B
Boor Hidg B
Boor Hidg B
BK Vision
Clanson't Account B
K Vision
Clanson't Account B
K Vision
Clanson't B
K Vision
K 24.55 25.50 25.70 10.52 11.50 26.00 11.20 11.20 17.20 20.50 20.50 20.70 20.70 20.70 123.00 18.70 272 278.60 278.60 307.10 715 497.10 497.10 720.18 6401 6401 6491 6175 5430 5430 5430 5500 677 847.80 5450 897.00 477 847.80 5440 897.00 47.00 446 446.30 448 70.45 67.61 68.80 72.22 12.00 7.30 610.00 25.00 23.02 8.50 25.02 68.00 150.00 300.00 171.00 71575 11.55 12.40
7.15 7.41 7.70
580.00 590.00 630.00
52.50 27.90 22.50
7.00 6148 8.60
20.50 22.50 22.50
7.00 615 8.60
14.50 15.50 15.50
580.00 590.00 620.00
550.00 1680.00 179.00 BrankBorespot.

See BrankBorespot.

Sendesco Pfd.

Brainno Pfd.

Cessic Pfd.

Cessic Pfd.

Cessic Pfd.

Bishnobas.

Bishnobas.

Bishnobas.

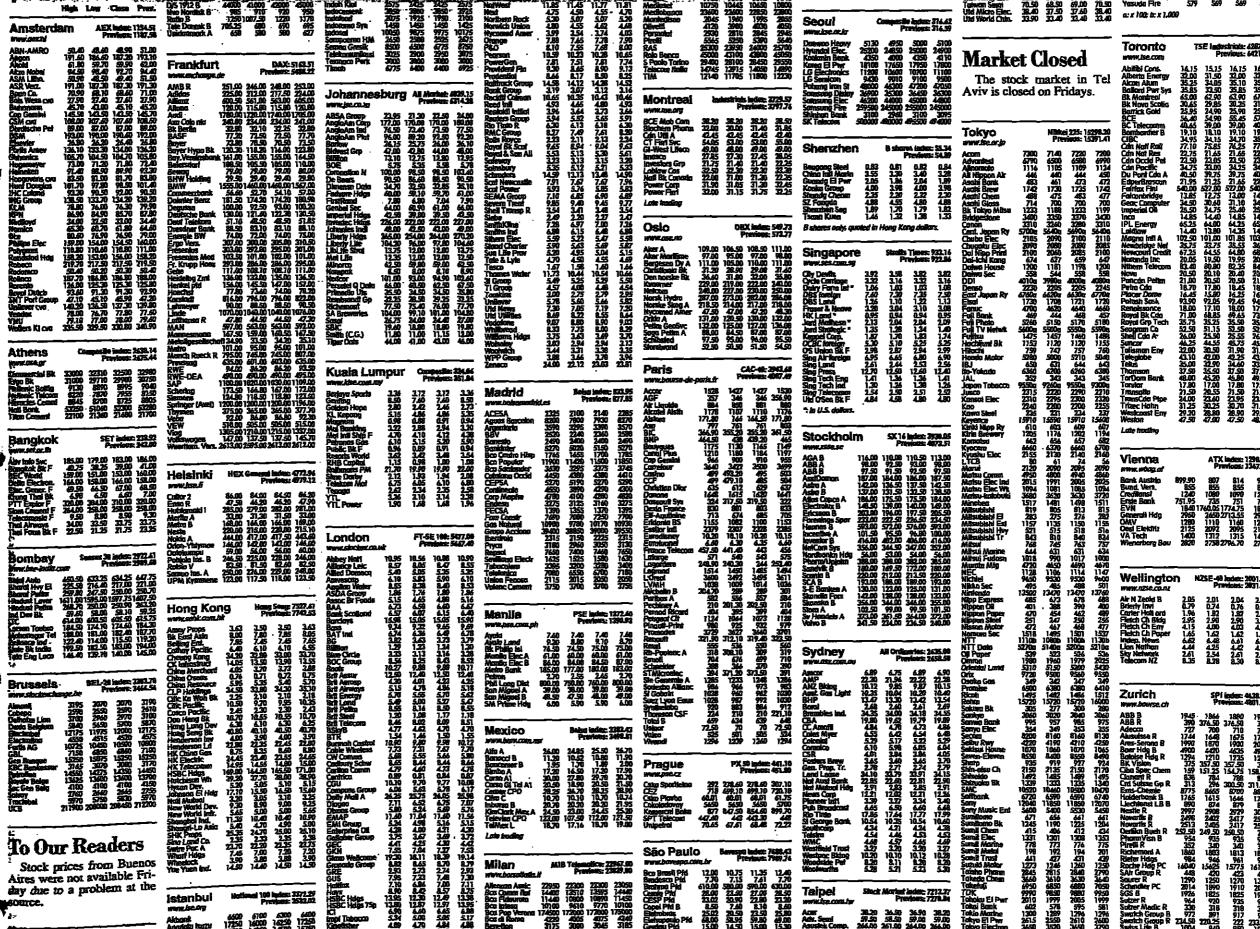
Pfd.

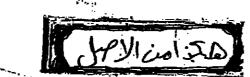
Ugint Sandalas.

Pelmbos.

Pfd.

P Stock Market Index: 7212.27 Provious: 7271.14 22300 12595 10990 9770 72000 4075 3045 1541 9280 15895 10115 22950 74400 11440 19700 174500 4250 3175 1638 9425 16150 22300 13510 10600 9610 172000 4905 3000 1530 9225 15006 istanbul www.ke.org Aktoord Antodon burnt Hood Onner Sob KOC Holding Turk Hone Turk Hone Turk Benkusi 38.20 97.50 244.00 104.50 58.00 63.50 20.40 34.50 36.90 58.50 59.00 261.00 264.00 163.00 163.50 57.00 57.50 62.00 62.00 20.20 20.30 6600 17250 15500 38000 31000 21500 10250





High Com

| September | Column | Column

| The color of the

1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997

| Table | Tabl

| The color | The

109% MigdAmm 258 5.4
109% MigdAmm 258 5.4
129% MigdAmm 258 5.4
129% Migdam 258 5.4
129% Migdam 258 5.4
129% Migdam 27 12
129% Migdam 27 12
129% Migdam 27 15

Continued on Page 14

| The content of the

ASIA/PACIFIC

GM Decides Not to Bid for Kia, Leaving

Compiled by Our Staff From Desputcies SEOUL — General Motors Corp. decided Friday not to bid for the insolvent South Korean automaker Kia Motors Corp., reversing an earlier decision to enter the race. Friday was the deadline to submit bids for the collapsed automaker, and Ford Motor Co. and three Korean companies made offers, said Banque Nationale de Paris, the ad-

Race to Ford

viser to the government auction.

But GM pulled out at the last minute after concluding that Kia and its affiliate, Asia Motors Co. Inc., also part of the sale package, "would not be compatible with our strategic needs," said Alan Perriton, president of GM Korea.

GM said in July that it would bid Its reversal leaves Ford as the most likely buyer of the 51 percent controlling stake in Kia. The three domestic bidders — Hyundai Motor could have trouble raising funds.

The government said it will pick a winner by Sept. 1, based not only on price but also on job preservation and business strategy considerations. Kia remains under court receiv-

ership after filing for bankruptcy protection in July 1997. Its creditor banks have promised to write off mearly half of Kia's \$6.7 billion debt to make the company more attractive. Kia has \$5.9 billion in assets.

The automaker's troubles have shaken investors' confidence in South Korea. Seoul called in the International Monetary Fund in bringing tea to China. December to organize a record \$58. The American soft-drinks giant water. illion bailout for its economy. The ernment's effort to restructure under the bailout terms.

Ford already owns 16.9 percent of tapped. (AP, Bloomberg)

Japanese Trader Goes Bankrupt

Bloombers News the weak economy and a shortage and "one or two other main TOKYO — Okura & Co., a of funds. The company's collapse trading company with strong links comes after six straight years of to Fuji Bank Ltd., said Friday that annual losses and is another sign Yet the 125-year-old trading it had sought protection from creditors, becoming Japan's third-largest bankruptcy this year and the latest casualty of the country's

deepening recession. Okura, the third-largest of the four publicly traded company to fail this year, said it had 288.3 billion yen (\$1.99 billion) in li-abilities as of March. The company, which trades machinery, steel and other commodities, said its liabilities exceeded its assets by 6.9 billion yen, and it holds 98 billion yen in bad assets.

Okura blamed its failure on the seven-year slide in property prices,

that Japanese banks are no longer able or willing to extend easy credit to their clients. Struggling under 77 trillion yen in risky and bad ioans, banks are cutting off companies with limited futures and tightening requirements for loans to

"Banks are setting aside more money for future failures, and they're even more cautious with doling out new loans," said No-zomu Kunishige of Lehman Brothers Japan Inc. "If all the banks start doing that, we're in for a really serious situation."

Okura said its main bank, Fuji,

until the very end.
Yet the 125-year-old trading company said it filed for bankruptcy after almost every one of its other 60 creditors withdrew sup-

The company also lost its trad-ing credits and could not find buyers for new shares it hoped to issue "Finding people to lend you money is like climbing a mountain

—the closer you get to the summit, the steeper it gets," the president of Okura, Yoshihiko Okura, said. Okura's shares were suspended from trading on the Tokyo Stock Exchange. The shares finished Thursday at 65 yen, up 12.

Top 3 Producers Pull Out of Rubber Cartel

SINGAPORE — The world's top three rubber producers — Thailand, Indonesia and Malaysia - said Fri-Co., Daewoo Motor Co., and Sam-sung Motors Inc. — have seen sales collapse amid the country's worst recession since the 1950s, and they aims to cut production to a level 20

percent below world demand. The three countries, which produce 80 percent of all natural rubber, existing group, known as INRO, to stem a 30 percent slide in rubber prices over the past year. The coun-tries said they would withdraw all

their funds from the cartel, depleting its intervention reserves and leaving it largely ineffective.
"The withdrawal of the three

countries will put into question the existence of INRO," said Gerard Loyen, deputy executive director of the organization, which is based in Kuala Lumpur.

Rubber prices have fallen as industrial production in Asia has are angered by a lack of action by the slumped, pulling down demand for cars and tires.

With supplies still outstripping demand, Mr. Loyen said, prices "may continue to slip."

Bringing Tea to China: Coke Will Try

said Friday that it planned to in-

pre-made variety as virtually un- Shanghai and Hangzhou.

homegrown product — tea leaves SHANGHAI - Coca-Cola Co. is from the Fujian Province in China - and brew the tea with mineral

Two versions of the beverage move to sell Kia is part of the gov- troduce canned tea in China. It de- sweetened and unsweetened - will said Lim Keng Yaik, the primary scribed the Chinese market for a be introduced in the eastern cities of The drink will cost 2.5 yean (30

Coca-Cola will begin with a cents) to 3.5 yuan.

The cartel did buy rubber on the market over the past two weeks, but those purchases did little to support prices. It bought about 30,000 metric tons of natural rubber last week, spending as much as 100 million ringgit (\$24.1 million), traders said. The organization would not confirm those purchases.

No matter how much they are buying, "there is still too much rubber in the market," said Kang Liat Bin, a Singapore-based marketing manager with Sahabat Co., a subsidiary of PT Kirana Megatara, a privately held company that is one of the largest rubber producers in Indonesia.

The withdrawal of funds from the organization amounts to 200 million baht (\$4.8 million) for Thailand and 29 million ringgit for Malaysia. The figure for Indonesia was not immediately available.

The three countries setting up the new group plan to include Singapore, industries minister of Malaysia.

The International Natural Rubber Organization groups 18 importing and six exporting countries.

Jakarta Halts Activities of 3 Ailing Banks

JAKARTA — The Indonesian government said Friday it was freezing the operations of three ailing

banks and taking over four other institutions in a restructuring of the ailing financial sector. The government froze operations

of PT Bank Dagang Nasional In-donesia, PT Bank Modern, and PT Bank Umum Nasional, Finance Minister Bambang Subianto said. He said four other private banks -PT Bank Central Asia, PT Bank Danamon, PT Bank PDFCI and PT Bank Tiara — would be taken over.

The government also warned owners of the banks, who include the nation's most powerful business families, that it would seek to seize their assets through the criminal and commercial courts to pay their banks' debts if necessary.

The government has pumped 135 trillion rupiah (\$11.37 billion) into troubled banks since the collapse of the rupiah in July 1997.

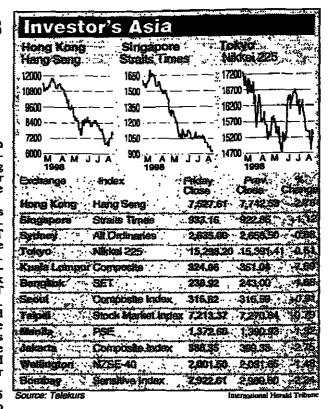
All seven banks have been under the management of the Indonesian Bank Restructuring Agency following serious liquidity problems.

Mr. Subianto also announced that seven banks that had their operations suspended in April would be liquidated. They were Bank Subentra, PT Bank Surya, PT Bank Pelita, Bank Kredit Asia, Centris International Bank, Deka Bank and Hokindo Bank

About 300 Indonesians gathered in front of the central bank to protest the steps

"The trillions pumped into the banks, that's our money," Bursah Zarnubi, the organizer of the protest, "Because all this money has been funneled into these banks, prices are rising and the basic needs of the people can't be met anymore.'

About 200 troops and police officers kept an eye on the crowd. The protesters later marched toward police headquarters in South Jakarta, chanting, Bank Indonesia, a den of (AFP, Bloomberg)



Very briefly:

• San Miguel Corp., the largest food and beverage conglomerate in the Philippines, is selling its 45 percent stake in dairy joint venture. Nestle Philippines Inc., to its partner, Nestle SA of Switzerland, for about 30 billion pesos (\$704.7

• Japan Telecom Co., Nissan Motor Co. and AirTouch Communications Inc. plan to form a joint venture in Japan to offer a new type of cellular phone service known as W-CDMA, or wide-band code division multiple access service, which allows users to send multimedia information such as graphics and motion pictures through cellular phones.

• Moody's Investors Service Inc. has cut the credit ratings of four of Japan's largest fire and property insurers. Tokio Marine & Fire Insurance Co., Yasuda Fire & Marine Insurance Co., Mitsui Marine & Fire Insurance Co. and Sumitomo Marine & Fire Insurance Co. were cut from Aaa to either Aa1 or Aa2 because of declining premium income, a harsh investment climate and growing competition with foreign companies.

• Valeo Co. and Hoshi Ito Co., two Japanese drug wholesalers based on the northern island of Hokkaido, plan to merge on equal terms in April.

• Dell Computer Corp. began direct sales of built-to-order computers in China, Xinhua news agency reported, quoting Morion Topfer, vice chairman of Dell, which has nine locations in major Chinese cities. AFX. AFP. Remers

TELECOM: Major Firms Scramble to Maintain Global Alliances

Continued from Page 9

liance of Deutsche Telekom AG, France Telecom SA and U.S.-based Sprint Corp., results have fallen short of their original heady expectations, analysts concur, even before the BT-AT&T part-

"There is disappointment on both sides, by Deutsche Telekom and France Telecom, over Global One," said Philip Springuel, industry analyst in Brussels at the OTR technology research insti-For those left in the old alliances,

each defection disrupts the operation

and can damage perceptions that it can deliver ever more sophisticated ser-"When one partner leaves the organization, they take their network with them," Mr. Neil said. "The remaining partners need to find a replacement network and integrate that network. That

means at best a short-term decrease in

quality and at worst a long-term de-

l it's game

2 Plains dw

3 School org.

4 "Politically

5 Spotted cats

6 Mild-flavored

7 A Turner

8 Whence the phrase pas

9 Binge, in a w

10 Neighborof

11 Strikeout

12 Foreser Your Girl singer

62 ----- strip

65 Jester Jay

68 W.W. II field

69 Decision for newlyweds?

74 Tiny taste

75 Highway

78 Some spares

86 Actor Basicia o

studs 81 Designate

84 Dune

87 Party

77 Fashion

خاصا 66

crease in quality."

Just as ominously, both AT&T and BT rank as veterans of the previous shakeouts among Europe's alliances. That means that this time around, the two giants are determined to avoid the flaws that plague older alliances, such as incompatibilities in networks and billing systems and confused "United" Nations-style" management among the parent-company operators, said Michael Armitage, London-based analyst

at Morgan Stanley Dean Witter. Even after Global One invested over \$900 million in its network, analysts question the "seamlessness" of its connections. Reports of patchy service continue to haunt Global One, mainly besuch alliances by their natur on scores of "distribution alliances" with non-alliance carriers around the world that are needed to deliver the service into the 70 nations where Global

"I would never say we are as seamless as we can be," said Bob Givens,

Global One's general manager for Europe. "That just would not be true. But I think we are the most seamless international alliance today."

AT&T and BT pose "quite a tearning up of giants," Mr. Givens agreed. They will be a substantial competitor to us in two and a half years, but we have a head start on them," he said.

The executive declined to discuss Global One's profit-and-loss account. But analysts said Global One cannot expect a profit until at least 2000 after missing its break-even target for 1998. Competition has grown so fierce that prices are under heavy pressure, forcing Global One last year to cut 7 percent of its staff in a cost-shaving restructuring. Brussels-based Global One, con-

ceived four years ago in high hopes of creating a high-powered combination destined for market dominance, reported 1997 sales of \$1.1 billion, only a modest chunk of the estimated \$20 billion spent collectively last year by the 500 biggest multinationals.

Hong Kong Stocks Fall as Intervention Ends

By Mark Landler New York Times Service

HONG KONG - After a weeklong buying binge to prop up its slumping stock market, the Hong Kong government let the free market take over Friday, and the Hang Seng

index promptly dropped. To critics of the government, the abrupt reversal is proof that its decision to intervene last Friday was wrong-headed — a temporary victory that will cost Hong Kong its reputation as a free-market bastion in a region where governments do not hesitate to manipulate their markets.

represents a tactical pause in the gov-

ernment's campaign against speculators. They point out that since the Hong Kong Monetary Authority began buying stocks last Friday, the Hang Seng index jumped 16 percent,

before the decline Friday. Both sides agree that Hong Kong curbed its purchases of shares and futures contracts, and may even have sold some shares. As a result, the Hang Seng index declined 214.92 points, or 2.8 percent, to 7.523.61.

Our clear message to investors is: Lock in your gains and get out," said Adrian Faure, the head of China and Hong Kong Research at Merrill Lynch To supporters, the decline merely presents a tactical cause in the case.

Mr. Faure estimated that the gov- tion," he added.

QUESTAR: In Bid to Be Dominant, Gene Firm Faces Inquiry

ernment spent between \$640 million and \$770 million of its foreign reserves to buy shares of blue-chip companies. That is less than 1 percent of the estimated \$100 billion Hong Kong has in reserves, but some analysts said it was still money that could have been better spent elsewhere. Hong Kong officials said the pur-

chases were a necessary response to hedge funds that were manipulating the territory's financial markets. 'We are not out there to support the stock market at a certain level,' Tung

Chee-hwa, the chief executive of Hong Kong, said Thursday.

'It is a very defensive effort targeted specifically at this particular ac-

Continued from Page 9

"That's just not the way finance works. Questar shares soared from 65 cents to \$5.50 in the two

weeks before the offer was announced. The SEC, as part of its inquiry into trading in Questar stock, has asked for a copy of the company's shareholder list, and Questar has complied, Mr. Washburn said.

Questar executives said the Japanese offer makes sense. "I'm very popular in Ja-pan," said Mr. Mullis, who

won the \$385,000 Japan prize, an award sponsored by a business group, in 1993 — the same year he won the Nobel. Mr. Washburn said he was introduced to Pax International by a film producer he encountered by chance in a lounge at the Marriott Hotel

near Los Angeles International Airport. He added that he met Pax's president, Tetsuo Kobayashi, 43, in Tokyo in It was during that visit, Mr. Washburn said, that Pax first discussed making a bid for Questar shares. Mr. Kobayashi told him, Mr. Washburn

a corporate research firm. They think they can generate \$9 billion of business in Japan and Taiwan," Mr.

Washburn said. The offer is contingent on

Questar beginning to file reports with the SEC, something it has never done. Mr. Washburn said the company's books were now undergoing their first audit by independent accountants, an SEC requirement for it to be-

come a reporting company. Mr. Kobayashi declined to comment for this story.

Questar, meanwhile, is in the process of changing its name to DNA Medical Technologies Inc. At the center of the company is Mr. Mullis, an unorthodox scientist who spends much of his time these days surfing in the Pacific Ocean, just across the street from his apartment, north of San Diego.

Mullis won the Nobel prize for chemistry for work he did in the 1980s. He invented a new way to reproduce DNA fragments, while he was employed at Cetus Corp., a biotechnology company that developed anti-cancer drugs. Mr. Mullis said that Cetus

million to Hoffman-La Roche, a Swiss pharmaceutical company now called Roche Holdings AG.

'Why couldn't they have sold the patent for \$301 million and given \$1 million to

the guy who invented it?" he Added to the numerous challenges Questar faces an SEC inquiry, a slumping stock price, and a question-

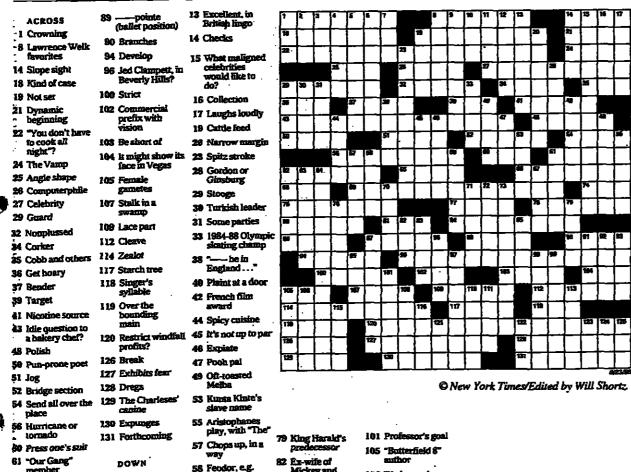
able bid from a seemingly un-

March, according to an es-timate by Teikoku Databank, Mullis's discovery for \$300 pany — are a series of fundamental questions: Will people pay \$515, or

any price, to deep-freeze their If so, will they entrust them to Questar, a company with few tangible assets? Then, if this business does catch on, what's to prevent a well-established health-care company from copying Questar's idea? To that last question, Mr. Washburn answered bluntly:

"Absolutely nothing."

WARNING: CONGESTION! By Nelson Hardy



83 Old Spanist

Report" (1976 best seller)

87. Ticket stub. e.g.

88 Kind of moth

91 Rarass

92 Eshkol's

95 Perkins who

98 Infidel

99 Deal with

wrote "Blue Suede Shoes"

Birthday event

61 Crave, with

63 The Stunt Man

67 Years of

70 Memory unit

73 Game played

mas Cuo

108 Inhibit

116 Passage

III Hindrances to

115 Facts and

' 116 Start of a 1961

122 Prefix with

123 "Star Trek: D.S.9" charact

124 1980's TV dran

angle or athlete



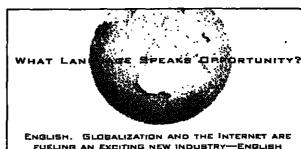
for same day delivery in key cities.

To subscribe, call 1-800-882 2884

LIVING IN THE U.S.?

Now printed in New York

Herald Eribung THE WORLD'S DAILY NEWSPAPER



FUELING AN EXCITING NEW INDUSTRY-ENGLISH ANGUAGE TRAINING. AND AT THE FOREFRONT OF THIS INDUSTRY IS THE WALL STREET INSTITUTE.

THE WALL STREET INSTITUTE WAS ESTABLISHED IN 1972 AND CURRENTLY HAS OVER 200 CENTERS IN 14 COUNTRIES. OUR CLIENTS BECOME FLUENT IN ENGLISH IN MONTHS INSTEAD OF YEARS.

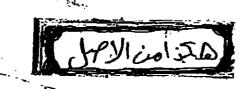
MASTER FRANCHISE PARTNERS WANTED

WE ARE CURRENTLY SEEKING MASTER FRANCHISE PARTNERS WITH EXECUTIVE LEVEL EXPERIENCE IN MEDIUM TO LARGE ENTERPRISES. WE DFFER A TURNKEY SYSTEM WITH EXCELLENT SUPPORT IN MANAGEMENT, OPERATION, MARKETING, AND STAFF TRAINING. FOR MORE ON HOW TO BENEFIT FROM THE LANGUAGE OF



IN THE US 410-843-8708 FAX 410-843-8717 IN EUROPE 349-3-306-3300 FAX 349-3-301-0240

E-MAIL JETREIGHT@EDUCATE.COM WALL STREET INSTITUTE IS PART OF SYLVAN LEARNING SYSTEMSY, A \$500 MILLION GLOBAL EDUCATION NETWORK



and the second s

Solution to Puzzle of Aug. 15-16

R

STATE OF THE SECOND SEC minimized till skip for the state of the sta

E 14	INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, AUGUST 22-23, 1998	
	NASDAQ 1. 12 Month 1. 12 Mont	ock. Dir You PE 100 legs Lew Letter Co
Friday's 4 P.M. he 1,000 most truded National Market securities in terms of datar value, updated twice a year. The Associated Press. Associated		
The state of the s		
	The state of the s	Sock Or the PE tolkings Lowish
17th 15th Nursigne 103 622 q 473 66b 16bk		The VICKING Type 5.5 q 112 18 m m m m m m m m m
119%, 27% PhysRed 120 44 135 446 25% 23% 25 267% 264% Phethic 1 30 44 135 446 25% 23% 25 267% 184% Phethic 1 372 9 18 5056 137% 137% 13 106 94 Phethic 1 372 9 18 5056 137% 137% 13 244 109% Phethic 2 05 3 13 215 22% 23% 25 52 22% Phothes 24 2 25 34 31% 33% 33% 33 257% 27% Phothes 212 40 17 522 25% 25% 25% 25% 13 144 137% Phothes 212 40 17 522 25% 25% 13% 13% 13% 13% 13% 13% 13% 13% 13% 13	201 199 200 199 200 200 199 200 200 199 200 200 199 200 200 200 199 200 200 200 200 200 200 200 200 200 2	1 24% YPF Soc

| The color | Color |

Line

Risk: Is It the Ups and Downs That Count, or Just the Downs?

By Conrad de Aenile

UCCESSFUL investing de-pends upon weighing the risks and expected returns of various alternatives, yet many investors fixate on returns and give little thought to the risk inherent in achieving them.
This is understandable, for risk is the

harder of the two to fathom. Risk reflects possible outcomes of future events determined by forces that are often unknown or unquantifiable. It is the reason that virtually any course of action by an investor has an expected return, not a definite return. Because it concerns what might be, risk cannot be studied directly but only inferred, like an eclipse glimpsed as a shadow cast against a wall

Academics often equate risk in investments with price volatility. They will typically look at monthly prices for instruments such as stocks, bonds or mutual funds, then calculate how much those movements vary around the average. The investment with the greatest variation is the most volatile and so is judged to have the highest risk.

Such a notion is limited because the average return around which volatility is measured is almost beside the point To real investors, of course, returns are virtually the whole point. To them, risk means the risk of loss, cither absolutely or against a

"Volatility is simply one measure one might use for risk," said Elroy Dimson, a professor of finance at the London below some critical level

The critical level could be zero breaking even — or else a return equaling the rate of inflation. For pensionfund administrators and insurers, Mr. Dimson said, risk means the chance of generating returns that are lower than liabilities to retirees or claimants.

Rather than considering volatility in a vacuum, Merrill Lynch & Co. finds it more useful to define risk in various ways relating to the potential loss in an investment's value implied by past vol-atility. For instance, if a stock index suffers a loss from its annual neak to its. annual trough of 20 percent once every four years, investors have a rough idea. of how much they stand to lose if they are unfortunate enough to buy when the market is at a top.

Jerry Harris, a principal at Welton Investment Corp., a small California money manager, said that in addition to the depth and number of declines, the time it takes to recover the loss is a key measure of risk to investors.

Performance records "with a minimal number of brief, smaller losing periods will generally be perceived, considered and accepted as being less Trisky than records characterized by frequent, extended periods of negative performance." regardless of overall returns, he wrote in a newsletter of the Alternative Investment Management

Association. "This becomes even more important in the context of investor time horizons. The consistent track record is far less susceptible to market-cycle tim-

son, global asset allocation adviser at Merrill Lynch Asset Management, warned that "if you don't think about event risk, you can run into trouble."

One market that troubles him is the market in the world or by the standards of its own history." Yet that has been the case for months, and investors market for most of the past three years. ies as it is to have a 100 percent al-location. Investors need to find a bal-

Mr. Johnson was betraying his belief that market movements are not random. Circumstances like overvaluation make markets accident-prone. Many students of risk are agnostic on whether there is a relationship between past and future re-turns. They merely forecast volatility

ists; they believe that overvalued markets hold no risk and that beaten-down

Business School. "Risk ought to be regarded as shortfall risk, performance gest that they are still dangerons (Page

ignore timing and stay fully invested. They point out that the longer an investment is held, the less likely it is to suffer a loss of principal. Equities are usually the most profitable over the long

Because the possibility of loss diminishes with time, financial planners tend to increase the allocation of equities in portfolios of clients that do not expect to need their money for years, while keeping more cash and bonds for. clients with shorter time horizons.

risk; the other is diversification. Owning pooled investments is safer than owning individual securities, Ms. Mor-

ing considerations and conseque Consistency helps, but Douglas John-

and why investors have until

Fund managers eager to hold on to their clients' money encourage them to more volatile than other mainstream investments over a given period but are

The question that Evelyn Morgner, a specialist in investment planning at the consultancy KPMG, asks when creating portfolios is: "Is short-term loss of principal the most key element, or is it longterm purchasing-power erosion, or is it opportunity cost?" (The last is being in investments that make money and beat inflation, but that do worse than other investments.) "If they're trying to amass a corpus of wealth over 10 or 20 years, then they can afford to take more equity risk."

Time is one of the great mitigaters of

Measuring the Difference Between Market Highs and Lows 1.602 1.529 1.476 each year. 1.142

United States, which "by any standard is perhaps more overvalued than any would have lost out by not being in the 'It is as risky," Mr. Johnson said, "to have a zero percent allocation to equitance they're comfortable with."

from past volatility.
Individual investors tend to be athe-

markets are the riskiest. That is why valuation extremes occur

recently ignored the event risk that Mr. Johnson perceives in American stocks, while shunning Asian markets that are one-tenth their former prices, al-

ing, they may not like it or be prepared for it. This is why risk matters, even to investors who intend to hold for the long term. The most elegant argument for building more risk and reward potential into a portfolio is useless "if people are risk-averse and they don't want to know," Harry Katz, a financial adviser at Norwest Consultants in Manchester, England, remarked. 'They've got to be relaxed. An adviser can explain risk and volatility, but at the end of the day, the guy who writes the check out has to sleep at night."

gner said. Spreading money among dif-

ferent asset classes, mainly stocks and

Some mixes of assets are better than

others; studies have found that adding

small amounts of investments whose

performance is minimally correlated

with the rest of a portfolio, such as real

estate or emerging-market stocks, can substantially reduce volatility with little

VEN if investors can afford to

increase the risk they are tak-

bonds, and in diverse regions and cur-

rencies is also prudent.

effect on performance.

Risk also matters when comparing the merits of different investments. Some mathematical devices, such as the Sharpe ratio, use past returns and Volatility to calculate a risk-adjusted re-

-Another mathematical contrivance, the implied equity risk premium, is used to compare the prospects of stocks and bonds by calculating the extra return that investors demand for holding stocks that is, how much riskier they are perceived to be than bonds, and, by inference, how undervalued or overvalued they are. This is typically done by adding the market's dividend yield to projections for annual earnings growth for several years, then subtracting the yield on the government bond used as the benchmark for a particular country. A higher risk premium is thought to signify a more reasonably valued market.

That would seem to make European

Annual market volatility for the S&P 500 from January 1, 1948, to December 31, 1996, with volatility defined as the annual percentage range between the high and the low for the S&P 500 1.349 1.286 1.223 49 51 53 55 57 59 61 63 66 67 69 71 73 75 77, 79 81 83 85 87 89 91 93 Source: Merrill Lynch Market Analysis

far during that period, risk premiums

have actually widened to between 3

percent and 4 percent for such markets

as Germany, France and Spain from less

than 3 percent. In fact, because yields on

Spanish bonds were so high, the risk

premium on its stock market had been

So European equities are underval-ued — if forecasts of earnings and bond

yields are correct. Those are two big ifs.

Even if the assumptions on which it is

calculated prove true, the risk premium

can be a problematic tool. Its correct

level — how much greater should returns be to make it worthwhile buying

stocks rather than bonds — is open to

Figuring it correctly is critical because

a small change in the risk premium could

make a huge difference in valuations. Byron Wien, chief investment strategist

at Morgan Stanley Dean Witter & Co., said recently that he found the Standard

& Poor's 500 index of U.S. blue-chip

stocks to be 17 percent overvalued using

a. 2 percent risk premium. Cutting the

premium to zero would make the index

lomon's assumptions on interest rates

mistic case" of a 1 percent risk premi-

um, the markets should double or triple

equities should provide a risk premium over bonds," Mr. Howdle said, "but

without much analysis of what risks

the equity investor needs to be com-

Continued on Page 17

"It seems universally accepted that

Mr. Howdle said that at the current

2 percent undervalued.

in the next year.

ahout zero.

interpretation.

stock markets, many of which have doubled in the last three years, an even

Guaranteed Funds Provide better bet than bonds than they were before the markets advanced, Mark Equivalent of 'Free Lunch' Howdle, a strategist in London for Salomon Smith Barney Inc., contended. Because bond yields have fallen so

By Conrad de Aenlle

■HE INVESTMENT equivalent of a free lunch is to achieve the stock market's performance without risk. Funds promising to do this have become prominent features on the meaus of many management companies and are aimed at investors who have avoided the stock market because they find volatility unpalatable.

Guaranteed funds, as the genre is known, typically offer to pay 100 percent of the gain of a benchmark stock index, sometimes more, over the course of four to seven years, with investors promised their money back if the index falls. A requirement of the funds is that investors hold out for the full term in order to be assured of a return of capital.

These funds are heavily marketed in Britain, where they must be packaged as insurance instruments to appease reg-ulators, and in Continental Europe, especially France and Spain. They are not allowed in the United States. "In the last two years, we've seen

more of these products put together," risk premiums, most large European said Ian Millward, investment marketing manager at Chase de Vere Investments, markets should fall 5 percent to 21 percent in the next year, based on Saa British firm of financial advisers. Even though investors know the stock and earnings. Using the "mega-opti-

market generally offers the best returns, many keep their money in the bank, he said, "because they're more concerned about security. They don't want to take risks. These combine the two.

"They do have their place. If there's somebody who's sitting on far too much cash and they're nervous, they should consider it for part of it, but it's not a

dream investment.' Guaranteed funds are so in vogue now, Mr. Millward said, that "if you put two investments alongside each other, one with a guarantee would sell better, even if it were the inferior investment. You have to be careful; there are some that are very

good but some that are real dogs." David Kauders, a partner in Kauders Portfolio Management in southwest England, finds little to recommend in guaranteed funds. "I haven't seen one where we could understand the risks," he said. They are based on cosy assumptions and complacency and are sold to people

who don't understand risk." He was alluding to the fact that loss of capital is not the only risk investors face: Managers use derivative instruments, such as stock-index options, to provide the guarantee, and they have to pay for

them out of the money in the funds. That leaves investors facing either lower returns than could be obtained through conventional equity funds in a rising market or, if the worst happens and the original capital is returned years later, an erosion in purchasing power of their investments as inflation bites.

NE of Mr. Kauders' complaints is that the cost of providing a guarantee is often high, difficult to calculate and not adequately explained: "They basically duck and say, 'We've bought this wonderful derivatives package."

Mr. Millward said that the guarantee typically costs from 10 percent to 14 percent of a fund's assets. Lately, though, market conditions have made guarantees more difficult to pay for.

One fund that aims to protect capital does not use derivatives to guarantee against loss. Denis Severis, a portfolio manager in France, operates an offshore fund for wealthy clients (minimum investment \$250,000) that invests in other funds, typically about 20, with a diverse range of investment objectives. The funds are chosen by the risk-adjusted return of each manager

The goal of the Absolute Return Management Fund is to return twice the prevailing rate on U.S. Treasury bills without having a losing month.

But as the fund does not use de-

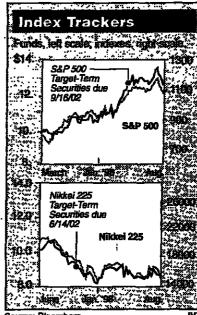
rivatives or anything else to protect capital, the goal remains just that: an intention, not a guarantee. The fund, begun 31 months ago, has

gained 11.6 percent per year, more than twice the T-bill return, on very low volatility, which gives it a high riskadjusted return, Mr. Severis said, but it has had two losing months. An advantage of such a fund for in-

vestors who do not require total capital protection is that an investment need not be held for a fixed period; shares can be redeemed monthly. A drawback is that the fund is very expensive to operate. in addition to the fees of the component funds, there is a 1.2 percent annual management charge plus a performance fee equal to 10 percent of the annual

The guarantee of a conventional capital-protected fund typically costs between 10 percent and 14 percent of a fund's assets, Mr. Millward said. Lately, though, market conditions have made guarantees more difficult to pay for.

With interest rates low and share prices high, the income from bonds and dividends often used to fund guarantees has diminished. At the same time, mar-



ket volatility, a central component in the pricing of options, has increased, making them expensive. It is logical, if inconvenient, that in circumstances in which market risk is reckoned to be most acute — high volatility and high valuations — the cost of protecting against that risk is greatest.

A cheaper, more liquid form of capital-protected investment trades on American exchanges. Known by such acronyms as MITTS and PERQS, they are usually issued at \$10 apiece and promise to return that sum in several years, plus an amount reflecting the increase in a broad stock index or one based on a particular industry.

The securities trade continually, as stocks do, and although underwriters collect a fee when securities are issued, once they begin trading there are no costs akin to a fund's sales charge. Participants in the market are likely to ensure that pricing remains keen and reflects the true value of the securities based on prevailing interest rates, vol-atility and the index being tracked, said

Greg Siegel, an analyst at Fitch IBCA.
The drawback is that most of the indexes they follow have risen since their issue, so they are trading above the \$10 that is guaranteed. Exceptions are two securities targeting Japan.

Some newer guaranteed funds cope with the high cost of capital protection by having longer lives, and so more income to fund the guarantee, or else they can the gain on the indexes they follow, Mr. Millward said. Other funds do not fully protect capital but promise to limit losses in a given period.

A range of funds offered by a London furn, Close Fund Management, for instance, put a floor on losses of 5 percent a quarter in an attempt not to eliminate all risk but to avoid the sorts of disastrous losses that have been experienced in Asian markets.

"In equity investing there's the potential to lose a lot of money," said Marc Gordon, Close's managing director.
"Timing is important. If you get it wrong, it may take a long time for recovery. What our funds are trying to do is achieve strong returns and let investors sleep at night." But losses can mount quickly in a

sustained bear market, even with a 5

Continued on Page 17

highs that appears each weekday in The Wall Street

N-LINE trading makes buying and selling stocks easy, fast and cheap. Is that a good thing? Not entirely. The way to make money in stocks is to buy them and hold them for a long time. In theory, you can do your buying and holding electronically, but, in practice, the Internet makes the temptation to trade - i.e., own stocks for a short time only - practically irresistible.

And, as two finance professors from the University of California recently concluded, "trading is hazardous to your wealth." In a recent breakthrough study, Brad Barber and Terrance Odean examined the discount brokerage accounts of 64,715 investors and found that those who did the least trading earned returns that were 75 percent higher than those who did the most.

But this won't be another buy-and-hold sermonette. On the contrary. I believe JAM there's a legitimate place for fast-paced trading, electronic or otherwise, in what I call a Fun and Games Account (FGA), a pot of money for playing the market, as opposed to investing for a long-term goal like remement.

Here are the FGA's characteristics: • It must be small, representing no more than 10 percent of the total funds you're committing to

 It must be completely walled off from your main investment account. Keep your FGA with an on-line broker, for example, and your long-term investment account elsewhere.

• All taxes associated with the FGA must be paid from that account alone. • It has to be funded with money you can afford to lose. Write a check or transfer the money elec-

tronically, and assume that the whole thing is gone. In fact, it soon may be. • It should serve two purposes: as a way to have fun and a way to learn.

Trading stocks is a diversion that should not be confused with actual investing. The reason is that trading is based on a faulty premise: that you can figure out which way stocks will move in the short term. No one can, but nearly everyone needs to go through the personal experience of discovering this

lesson of fallibility. So trade to your heart's content in your PGA. At the end of a year — if your money holds out — compare your after-tax performance with your in-

restment account and with the broad market. There are three reasons it is unlikely your FGA will win: 1) trading, even at \$7.95 a pop, cuts into profits; 2) taxes on short-term gains are steep, and 3) many amateur traders sell and buy at the wrong time,

as fear and greed overwhelm logic. Here are some intriguing alternatives for an FGA right now:

jumping onto a moving train and approximately as dangerous — but that's what an FGA is all about.
To find out what's hot, simply check the list of new Journal: Lately, it's been a short list: just 44 stocks Thursday on the New York and NASDAQ ex-

Momentum. The easiest plays for short-term in-

vestors are momentum buys — you purchase a hot stock that has been rising and sell it at the first sign that the move is over. This activity is similar to

changes (compared with 460 new lows).

An On-Line Account That's All Fun and Games

Among the hottest of the hot is Dell Computer Corp. (symbol: DELL), which, appropriately

enough, sells custom-packaged computers on-line, with remarkably efficient service and low prices.

\$19.50 each (total: \$19.500), you would on Aug. 20, after splits, have owned 16,000 shares at \$120.50 each (total: \$1,928,000). In other words, Dell is up by a factor of 100 in five years. But, more important for momentum traders, it's zooming right now, rising by \$16.50 in the first four days of last week. And Wall Street loves the stock: Bloomberg News reports that 21 analysts recom-

If you had bought 1,000 shares of Dell in 1993 at

mend it as a "buy" or "strong buy," 12 call it a "hold," and only one says Dell is a "sell." By the way, Dell trades at a price-to-earnings (P/E) ratio of Also recently hitting a new high is Xircom, Inc. (XIRC), which makes high-tech communications products for computers. Xircom, which lost money last year, trades at a P/E of 38, based on expected earnings for 1998. The stock is up 162 percent this year and has doubled since mid-June alone. It's a

favorite of analyst William Becklean of Tucker Anthony, Inc., the Boston investment firm. A momentum stock with a more conventional line of business is Tricon Global Restaurants, Inc. (YUM), which owns Kentucky Fried Chicken, Taco Bell and Pizza Hut and was spun off from Peps Inc., last September. Shares soared from \$31.81 Monday to \$39.63 Thursday on higher earnings

Other hot stocks in recent days: Ball Corp. (BLL), which makes jars; Amazon.com Inc. (AMZN), the on-line book and music seller, which has tripled since May; Kroger Co. (KR), the supermarket giant that has been cited lately as a possible buyer of another chain; Onmicom Group Inc. (OMC), a string of advertising agencies whose stock has jumped 25 percent since June; and Pitney Bowes Inc. (PBI), also up 25 percent in two months.

Market Timing. Try your hand at predicting the turns in the market as a whole. If you think the market will rise, then buy S&P 500 Depositary Receipts, more commonly known as SPDRs or "Spyders." These are shares that trade on the American Stock Exchange (symbol: SPY) and represent one-tenth the value of the Standard & Poor's 500-Stock Index.

But most timers these days will probably want to bet against the market. After all, if you're a bull, you can buy the stocks themselves.

One way to take a bearish position is simply to sell SPDRs short, which means borrowing shares and selling them today and then returning them to the lender at a future date when they are (you hope) worth less — or, even better, worthless. Short sales, however, involve borrowing costs and pos-

sible margin calls. Another way to win a bet that the market SK. GLASSMAN ON INVESTING will fall is to buy bearish mutual funds, including Rydex Ursa (1-800-820-0888), ProFunds UltraBear (1-888-776-3637) and Prudent Bear (1-888-778-2327).

The Rydex fund simply shorts the S&P index (or buys "puts," which is doing the same thing). The ProFunds is leveraged so that shareholders earn roughly double the inverse performance of the S&P. If it falls 20 percent, they make 40 percent, if it rises 20 percent, they lose 40 percent. And the Prudent Bear fund takes short positions in stocks. This year, it's down 23 percent.

Dogs of the Market. You can also use your FGA for buying stocks that have been beaten down, in order ride them up. Be aware that this can be a risky strategy for short-term on-line traders since sleeping dogs can lie for a long, long time before rising. The best (or worst) of the dogs can be found, of course, in Asian markets. Daniel Siever, editor of the

PAD System Report, suggests Korea's Pohang Iron & Steel, the world's most efficient producer, which trades as an American Depositary Receipt (ADR) on the New York exchange (symbol: PKX). Pohang stock is down 57 percent in the past 12 months and 40 percent since March alone. Its P/E, based on estimates of 1999 earnings, is just 6.5.

Another way to bet on Asia's dogs is to buy shares of closed-end country funds, which are portfolios that trade just like individual shares on U.S. ex-changes. The Korea Fund (KF), for example, jumped from \$5.50 to \$8 a share between mid-June and mid-July, but has since fallen back below \$6. The Thai Fund (TTF) fell 25 percent in 1996 and 67 percent in 1997. And the Indonesia Fund is off 61 percent in the past 12 months. Are turnarounds ahead? FGA plays, on-line or not, are not much different

from gambling. As long as you remember that, you

can have fun and learn something, too. Just don't

confuse what you're doing with investing.

PTH-

Mari

The second secon

ani Rick

77

Page 30

A Company of the Comp

Fund-:

and:

INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, AUGUST 22-23, 1998 PAGE 16 August 21, 1998 ABC MLAMIC BANK (E.C.) Moneyra Burkeyn y O Bent Pr 553062 TI 525360 Mar ABC Marset Pund (E.C.) si 熔進 M CHICETONICE PHI SA Gebot Em Alda Bond
Gebot George
Gebot Harman
Gebot Harman ZIT COLBERT SECURITIES ASSET MINGT LTD 验验 The first for the second of th 金を翻り 温光 114 MERREL LYNCH ERWITT SERVICE DESCRIPTION OF THE SERVICE PORTFOLIO 塔 Hidge M.V. A THE PARTY INC 叝 飆 2237 战 161 STAIRES FO MINCERS (GUENNSEY) LTD. W CHT CONCEPT TWO TROUGHTS STATES 뇂 TAIL WHITE INC Tol : 2531 MD 1800 29Q.73 19.15 9.98 Bend Class

Make Activat Class

John Sent Class

John Sen 1236 OM CREDIT COMMERCIAL DE PRANCE TOMAS MONOGONO SOM ACROSIN USD 5 w Takening Scholigins
der Frankfiehe A CVL ONIAL KAMI
der Frankfiehe A CVL ONIAL KAMI
der Frankfiehen Innesd Cu Scholige
der Frankfiehen
der Frankfiehen TS LTD 醬 8.5(% SE (Ad) 25-354 Tet (Ad) 25-354 III HOUSE HE & Company Fd III HOUSE (AD) ASSET FOLKS THE ASSET HOUSE (ASSET FOLKS) Agent Grayla Fel d Garding Grayla Fel d Garding Grayla Fel d Garding Grayla Fel d Garding Grayla Gra **1 3 1 5 5 5** 14 摄 SALE SALES ISS VALUE FO MALE? LTD FRED F Global Rammar Vol For July Price OFF THE ALL STATES AND LAND THE PARTY AND THE PA 器 1216 1847 VOIDOLE COLD EN RAY CAP GTS FORMULA GROUP 107.12 继 WHICH WOLL HOLD roft # Comp C WAS COME TO SERVE TO SERVE 214.55 狃 999 Other Funds 12.23 **313** ACM Credit Astronom Fd ACM Credit Astronom Fd ACM Credit Conditioning Fd Day . UILIUS BAER G 1710 1738 经 5 1413 展173 4,85 14.75 24.65 31.73 71 1 깩 꿰생 CIP ambriog Proof Ltd Copyrin Pend Ltd 蠫 翻 1825 뺂잂休뭿뽰꽸쩄 Cartest Europe State of DETAILS on 1980 IN DETAILS OF THE PARTY OF THE 1374.0 1877.2 1977.7 1977.7 1871.8 1871.8 1.74 1.76 Tiger part Monthal Fol Ltd part Partitle Hills Fol starn Debt Food starn Rapt Existing Fol part South Asia Fol lead Sir Lomba Fol part Vicages Fol agan Arabicage 12 d J.J. International Band Fd

MEMAR FUNDS

W Prodey Fund Limited (B)

W FEY ASSET MANAGEMENT

CO Furnish Sci. Crastin (4 SS) I

MEM Global base

MEM Global base

MEM STORY BANAGEMENT

MEM HOMERS

ME \$ 1027.99 147 REIG GLOBAL FRIED THE GLOBAL FRIED THE GLOBAL FRIED PLOS 透粉 ecik: 10 Europa 10 Europasia 10 103.50 7.63 651 The First Land Control of the Contro THE LATES CON THE STREET AND THE STR CONTROL OF STATE OF S The Month Star Policy House of the Control of the C The state of the s THE REPORT OF THE PARTY OF THE AND SAME EDOMARD CONSTANT

I SEC DAY OF INVESTOR

I SEC DAY OF INTENDED

I SEC SAME INTENDED of Selective Father Portfolio

1991 LEHAMA BOTHERS SHOWN

100 AND STRING OF ANY AVE

100 AN in The Hernatings II Forest
197 BICHCOURT
THE 71 78 STC 2000 From 71 29 675 98 57
PERSONNEL STREET IN THE TOTAL STREET IN THE The Promise Federal Act All S

IN LIBERAL BLAI FRINDS

Tel: \$2 17 12 4016 Per: 16 21 262 7256

CHARLES AND ACT The second property of 100 A on LLOYD GEORGE ANGLAT (

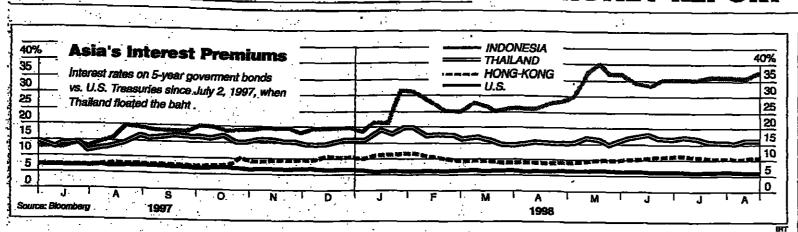
A Asign Seasolay Cost of the SECRETAL REPORT REPORT OF THE STATE OF THE S m Zucks Offshore Ff Lot-1C 222 REC UNIVERSAL FAIRD

d unique ECU & Divini
d unique ECU & Divini
d unique ECU & Divini
d Figure ECU & Divini
d Figure ECU & Divini
d Figure ECU & Divini
d Propose ECU & Divini 122 SAPPO E GROUPWORY ADVISOR.
TO VON DESCRIPTION OF PART OF THE BOTH OF THE B W Bearress-Numbers of the Section of TO SECOND SECOND STATE OF SECOND SECO Gower Found School Board Andals
Tower Found School Board Makes
The The Secretary Se THE PROPERTY OF THE PARTY OF TH 1400 5 3300 200 5 3300 200 STORY STORY PURES TO STORY AND STORY AND STORY S 54 54 54 Control of the contro Separation of Separation Corpor and 1500 and 150 All-Australian Dollars; All-Austrian Schillage."

BF - Balgian France; ES - Countilian Dollars; Delifer - Balgian France; ES - Countilian Dollars; Delifer - Balgian France; ES - Countilian Dollars; Delifer - Countilian Dollars; EGU - Enropeans Currency Unit; FF - Dollars - Balgian; ER - Indiana Bari Lucambourg France; Flee - Feather; ES - Stringston Flaggia; Pine - Peacher; ES - Stringston Dollars; SF - Stringston; A. - Mot Austrialian Stringston; ES - Stringston; Pine - Peacher; S - Stringston; Pine - Peacher; S - Stringston; Pine - Peacher; S - Stringston; Pine - Peacher; Pine ALL THE THE PROPERTY OF THE PARTY OF THE PAR STATE OF THE PROPERTY OF THE PARTY OF THE PA TWEET COMMAND S S.36 AMCE PP 2307 ST General Control of the Contr MANAGE STATES

The data in the list above is the next supplied by the fund groups to Micropal SA. It is collect and reformed into the list before being transmitted to the HT. Micropal and the HT do not we rent the quality or accuracy of the list, the data of the performence of lists of the Fund Groups and will not be it list for the list the data of the performence of lists of the Fund Groups and will not be dearned to be an offer by the HT or Micropal to sall securities or investments can sall as well as use. Past performence does not guarantee tubure success. It is advisable to seek advice from a qualified independent advisor before investing.

THE MONEY REPORT



Getting a Fix on Asia's Floating Currency Factor

By Philip Segal

HE biggest change in the risk profile of Asia over the past year is in the area of currencies: they used to be fixed, for the most part, and now they float. Even the Hong Kong dollar, which is still fixed, is seen by the market as muning a much higher risk this year that it will come unpegged from the U.S. dollar. How else to explain that Hong Kong bond yields used to be the same as American ones, but that three-year Hong Kong government paper now has to yield 3 percentage points more than U.S. Treasuries to attract investors?

As interest rates in Asia have soared, offering tempting fixed income yields, some analysts have come to the conclusion that stocks are just too risky, given the alternative. Why buy Indonesian stocks, asked Robert Medd at Deutsche Securities Asia Ltd., when you could invest in Indonesian rupiah bonds by entering into an interest rate swap gnaranteed by Deutsche Bank and still make 30 percent? Of course, there is risk the rupiah

will fall further, but that is the same currency risk you incur on the stock market. Indonesia is an extreme case, but Mr. Medd's quantitative analysis team reminds investors of a simple premise. You should make more money national Holdings Ltd. — are trading at less than four investing in stocks than in debt. If you cannot earn times free cash flow, and their annual cash flow this minimum return, known as the "cost of equity," there is no point in taking the extra risk.

Here is how the calculation works: Asian stocks should first of all pay a risk premium — the reward an investor should want for taking the greater risk of owning stocks in a comparatively volatile market. Hong Kong's equity premium over owning U.S. stocks, for instance, was 6.2 percent in May, as calculated by Deutsche on the basis of the markets' volatilities. This was based on the fact that Hong-Kong's market is almost three times as volatile as

In addition to offering a higher total return than U.S. stocks, though, Hong Kong stocks should also have better prospects than safer Hong Kong debt, to compensate for the greater of risk of owning rather than lending — a company. Take a 10-year U.S. Treasury note yielding, at the time of the calculations in May, 5.7 percent — about as free of risk as any investment can get. Add on the extra 1.4 percent you could have earned with a Hong Kong

over the course of a year, better not to bother. The cost of equity in Hoog Kong is high by U.S. standards, but it is the lowest in Asia other than Singapore. With the cost of capital so high, is it any wonder companies in Asia are hemorrhaging money and economies into deep recessions?

Of course, there are still stocks that should earn more than their cost of equity, but not many. In assembling a list of 10 core holdings in Asia, Dentsche assumes that companies will have to acquire capital at the cost of equity. For a stock to look like a buy using this model, it will have to make more than the cost of its capital—a

test that many Asian companies have failed over the past decade.

Given this daunting task and the expec-tation that capital will remain expensive in Asia for some time to come, Deutsche's top 10 picks in Asia are all cash rich. There is no problem in estimating the companies' weighted average cost of capital, since none of them are expected to need to raise any money. The top two picks --Sheuzhen Expressway Co. and Dairy Farm Intercovers their debt interest payments by more than 50 times. They trade in Hong Kong and Singapore,

Other picks include VTech Holdings Ltd., Elec & Eltek International Co. Ltd., Singapore Press Holdings Ltd., and two Hong Kong utilities: CLP Holdings Ltd. (formerly China Light & Power) and

Hong Kong & China Gas Co.

A related concern for anyone searching out a company with manageable debt is a risk that has been company with manageable debt is a risk that has been there all along in Asia, but used to be ignored or a from the fact that a Hong Kong strategist, Marc best glossed over by the majority of stock analysts in the region: a lack of information. Disclosure in Asia only, now figures some Asian stocks could be is a bad joke, even as financial systems and in

Indocam Asset Management in Hong Kong, and That Military Bank is on tenuous ground as well.
"This continues to be the major risk to the mar-

Mass Transit Railway Corp. bond backed by the government, and then add another 1.8 percent for the exchange-rate risk, calculated by Deutsche Bank from differentials in interest-rate swaps.

What it all adds up to is a cost of equity of 15.1 percent. If your stock investment cannot make that the price of Thai Farmers Bank PCL has plunged from 88 baht (\$2.12 currently) to 37.50 baht since its rights issue. In that time, the baht itself has fallen too.

Consolir the course of a year batter not to bother. The

company you own, but these are a novelty in much of Asia. The day of the consolidated balance sheet is now dawning in South Korea, which like Japan features companies that have tended to provide cross pledges to guarantee each other's debts. Still, it is early days yet. The fact that the official estimate of the bad debts in Japan's banking system recently rose by 40 percent overnight gives some impression

of how rudimentary accounting in Asia has been. Debt can still be hidden easily in Hong Kong as well, even though it has had consolidated balance sheets for years. Old hands in the territory know to look with skepticism at promises by Hong Kong companies that they are not highly leveraged. While the parent company that trades may not be, open the annual report of most of Hong Kong's largest companies and there will be dozens if not several hundred associate companies, often 49 percent-owned by the listed firm. Debt on the books of associates need not be consolidated in the listed company's balance sheet, so there is often no sure way to know how much borrowing a company has

In the end, if you opt for Asian bonds over stocks, there is good reason they have to pay you so much more interest than U.S. paper: that currencies in the region will fall. David Roche of Independent Strategy, the research firm, figures that with domestic debt levels far in excess of foreign debt in most Asian countries, governments in the region will have no choice but to inflate away some of their domestic debt by printing money. Inflation is the enemy of the bondholder. As for holders of foreign debt, there is always default risk to worry about.

is a bad joke, even as financial systems and individual companies fight for their lives.

"Nobody believed Siam Commercial Bank's 12 percent nonperforming loans disclosure," said Ray Jovanovich, a Thailand expert and fund manager at Indoor A set Management in Hong Kong and worth buying. Even though he foresees terrible economic times ahead, he is most scared of the lofty levels of markets in the U.S. and Europe. "Stocks in Asia are down to 1985-86 levels," he said. "The

IBBOTSON ASSOCIATES produces an annual international Equity Risk P. Report, which calculates the risks of owning stocks in 15 countries, compared risk-free bond-market returns in each of those teachest from the company's International blockson.com/

Country Funds in Decline

Coming of the Euro May Make Them Obsolete

By Conrad de Aenlle

NLESS than five months, there will be a single European economy and currency where there are now 11, and in a few years a single regional stock market may handle much of the trading now done on national exchanges. Yet dozens of closed-end stock funds targeting individual countries in the euro zone continue to

which trade on stock exchanges in London and New York, are typically small and lightly traded. Interest is reserved for small investors — institutions such as pension funds have cheaper and more efficient ways to invest - who have personal or financial ties to a particular country or for one reason or another find it to have greater growth prospects or more attractive valuations than

As Economic and Monetary Union approaches, such reasons are vanishing, in the opinion of Vivian Lewis, editor of the

newsletter Global Investing.
"Managers will have a hard time justris or Germany or France or Italy when these countries have a common currency," she wrote in a recent issue. "The key investment decision for France Growth Fund will not be whether to buy Renault or Peugeot but whether to buy Fiat or Daimler Chrysler or Volkswagen or Saab. With national frontiers will be no logic for the survival of country funds" investing in the region.

A report by Credit Suisse First Boston

noted that with the advent of EMU still in a merger, since only one firm ends up months away, there has already been a strong convergence of stock-market performance in the participating countries, fol-lowing convergence of interest and foreignexchange rates.

"Although the initial effects of converthat European markets are actually becom-ing more correlated with one another, as would be expected as the economies become more synchronized." Peripheral countries include Italy and Spain. France, Germany and the Benelux countries are

considered core Europe. country fund in the euro zone, Foreign & Colonial German Investment Trust, which was listed on the London Stock Exchange. Shareholders were offered cash or shares in a London-listed regional fund, Foreign & www.iceli.com.

Colonial Europrust, or a combination of both. Most chose shares for all or part of

We sort of felt this action was required because the arguments for investing in a single country in Euroland have diminished," Georgette Harrison, a Foreign & Colonial spokeswoman, said of the move, using one of the names drummed up to describe the 11-country bloc. Shareholders were told that "the prospects for a Europewide fund were much greater than Barely. Single-country funds, many of for a German one. The investment style has changed; instead of looking at allocation across countries, we're now looking at allocation across sectors."

Ms. Lewis, the newsletter editor, predicted that other fund managers would seek approval from shareholders to expand the horizons of country funds. When that happened, she said, shareholders, already grumpy because many country funds trade at prices far below the value of the holdings in their portfolios, will intensify pressure on managers to take steps to narrow those

Don Cassidy, a specialist in closed-end funds at Lipper Analytical Services, a fundtifying a fund investing in stocks from Aus- industry research firm, is skeptical. He pointed out that efforts by shareholder activists against closed-end funds have almost universally failed and that unless managers have complementary funds in their stables, there is little incentive to alter a country

fund's bylaws.
"The various funds, with just a minority down and stocks all trading in euros, there of exceptions, are run by different management firms, so there is an institutional issue here about giving up assets - and future fee streams - unless paid for exiting surviving to manage a merged fund," he explained. "So far I have heard no rum-blings of intentions to open-end, liquidate or merge the single-country funds" listed in the United States

Thomas Herzfeld, an investment adviser gence have been markedly different on the and authority on closed-end funds, agreed stock markets of peripheral versus core that managers would be reticent to yield Europe," the report said, "it would appear control of their funds but said that they might

expand their portfolios geographically. "I don't buy into any theory that says these funds are going to go out of business, because the managers won't want to let them go," Mr. Herzfeld said. "Could they modify their investment objectives to include sector allocation or investment The harmonization of European markets persuaded Foreign & Colonial Management Ltd. to shut down its only singlevestment objectives, but I haven't seen any proposals based on monetary union.'

Coming to Terms With Idea of Risk

Continued from Page 15

pensated for or how much quired." Government bonds have always been thought safer than stocks because they promise a return of cap- ing its debt and Hong Kong's ital at a known date and trade with less volatility.

Proponents of reduced risk biggest risks in investing, Mr. Dimson of the London Business School said: counting on consistent returns.

"There is a danger that people will spend too much time allowing themselves to world economy.
be concerned by past returns • A preference instead of volatility," he cau-tioned. "People want to put money in the Dow Jones, not Japan, or into Berkshire Hathaway or funds at the top of the rankings. They spend time and money exiting funds and doing badly. That's probably a greater sin than focusing excessively on risk. If you assume that risk remains the same in the future and past, ihat's fairly innocuous, but if you assume that performance remains the same, it's dan-

WILLIAM SHARPS, investor of the Sharpe 1930, maintains a website with information about this and other revestment matters at wave-charge stanford.edu

No-Risk Funds: A Free Lunch?

Continued from Page 15

percent quarterly floor, Mr. Millward pointed out, so the sleep may be troubled and fidgety.
"Floor funds are quite use-

ful, but you must think of the worst-case scenario: The market could trickle down and the money disappears overnight," he said. would protect somebody who thinks there's a big crash coming, but then why are they in the market? With the sales charge, they could easily be down 20 percent in the first year. Think about the psychology of this investor. It could easily kill him."

«ABSOLUTE RETURN MANAGEMENT FUND. Contact Van Neste Financial Manage-ment: telephone: 44 1534 37 678, for: 44 1534 37 663. For further information:

CHASE DE VERE INVESTMENTS CLARID inten a range of granustated funds managed by land parties. Telephone: 44 1225 469 471, or, red-five in Britain, 6800 526 091. CLOSE FUND MANAGEMENT offers granuled and floor funds, which limit lower but do not entirely protect capital. Triephone. 44 171 426 4000, or, toll-free in British, 0800 tol. *SCOTTISH AMICABLE LIFE sells funds packaged as assumance products with capital protection. Telephone: 44 1786 403 244.

Merrill Lynch Sets Plan for investors

BRIEFCASE

Russia's problems in repayasset prices up:

• A cautions approach to premiums ignore one of the global equities, with an emphasis on bonds and cash. Merrill warned that earnings estimates, especially in America, "may be underesdeflationary pressures in the

• A preference for Euro-

purchase of stocks to keep its From J.P. Morgan,

timating the severity of the Bank of New York and Citibank, on the Internet.

• A preference for Euro- comes amid growing pop-pean stocks over those in the ularity of ADRs, dollar-de-United States, where the nominated shares of non-U.S. economy "seems to be near companies that trade in the the end of a long investment United States. Trading boom." United States. Trading volume in ADRs soared to 15 • For the long-term, bar- billion shares last year, a 23 gain-hunting in Asia. Even percent leap over 1996, acthough the region's econo- cording to Bank of New mies have "serious structural York. The receipts have won problems that will take time a following because they to sort out," current low avoid many of the hassles of

prices for securities mean buying on a company's home
"Asia seems to be where the exchange, like high broker- Avoid emerging markets. "Global economic growth

commended a four-point plan crease in a number of emergfor global investors in light of ing markets in the months

An ADR Website

J.P. Morgan & Co., a major issuer of American Depositary Receipts, has introduced a web site devoted to ADRs, joining the other two leading players,

The move into cyberspace age costs and foreign-ex-

change conversions.

I.P. Morgan's site features appears to be slowing," the more than 400 ADRs from strategists wrote, "led by the Morgan's stable and from the problems in Asia. This points other banks. Joan Goldstein, a

The website provides data and price quotes to current news stories and analysts'

monthly newsletter on global investing trends.

to weakness in the demand for marketing executive, said the research issues that could ture. They also plan to offer the exports of many emerg- ADRs selected were "major, have an impact on the per- mutual funds similar to those ing-market economies." As widely held companies," in- formance of a depositary re- of Mellon's Dreyfus Corp. Strategists at Merrill well, 'worries about political choing British Petroleum Co. ceipt, such as the economy of subsidiary in Southeast Asia ynch & Co. this week re- and social stability may in- and Telefonos de Mexico SA. its home country. Citi also along with services for insti-

> ranging from historical prices earnings estimates on each

Bank of New York's offering has comered the market in terms of numbers. It ADRs. These include its own bank, and a group of recently privatized Chinese companies, plus ADRs sponsored by other banks. Besides onepage fact sheets, market quotes, financial data and links to company home pages, BONY offers foreignexchange information and a

Citibank lists only its own depositary receipts, roughly 350, including Deutsche Telekom AG and Grupo Televisa SA, the Mexican to investors in Singapore. broadcaster. The site offers

offers educational information explaining the basics of depositary receipts and how

they work. J.P. Morgan and Bank of New York have information overseas markets. on their web sites about programs that allow investors to buy their ADRs without sales boasts more than 1,000 commissions. Citibank will have its direct purchase pro-

CITIBANK: www.citit

Banks Join to Offer Issues in Singapore

Mellon Bank Corp. has formed an alliance with United Overseas Bank to offer mutual funds and other asset-management products

The fund-management arms of each bank are conquotes and in-depth company arms of each bank are con-information on all its ADRs, sidering taking stakes in each and also allows an investor to other or forming a joint ven-

tutional investors.

The outlook for pensionfund privatization around the world has attracted a host of American fund managers to

Goldman, Sachs & Co., for example, is working with Asah Bank Ltd. to develop investment-trust products, which are similar to mutual offerings, such as ABN Amro gram on its web site by the funds. Fidelity Investments is Holding N.V., the Dutch end of this year. (IHT) already offering its funds at Asahi and three other Japanese banks through booths staffed by its own employ-

In Britain, Morgan Stanley Dean Witter & Co. has begun marketing a limited range of

no-load equity funds to British investors, while Mellon itself recently purchased a 75 percent stake in Newton Investment Management and has entered into alliances in Brazil, Chile, Hong

Kong and Japan. Mellon, which is based in Pittsburgh, also owns the Founders mutual-fund family. (Bloomberg)

www.ocra.com

THE WORLD'S LEADING OFFSHORE COMPANY SPECIALISTS Since 1975 our worldwide team of over 275 multi-Gaciplined professionals hav pecialized in providing confident ost effective company orlo's major fow lax arees. ISLE OF MAN - B MONRY BAC: CA OVERSEAS COMPANY REGISTRATION AGENTS LTD proparties House, Tower Street Paintse lete of Man, British lists, 1489 4AN E-mail: Int@world-mail.com TEL: + 44 1824 815544 FAX: + 44 1624 817076 LUXEMBOURG - EVELINE KARLS Rue Aldringen, L-1118 Luxembourg d: +352 224 286 Fax: +352 224 287 MAURITRUS - ASHIO, BACHA ACCA Happy World House, Sir William Newton Street, Port Louis, Mauritus Ret: +230 211 5100 Fac: +230 211 5400 SEYCHELLES - DEBRA AKATSA 302 Aarti Chambers, Mont Fleuri, PO Box 983, Mahe, Seychelles Tel; +248 225555 Facr +248 225995 SINGAPORE - DIANA BEAN 14 Raffles Place, 26-04 Clifford Centre Singapore 049621 Tel: +65 535 3382 Fac: +65 535 3931 HOME KOME RAYMOND CHOI, MBA, MLM (DP) 2402, Bank of America Tower, 12 Harcourt Rd, Hong Kong Tel: +852 2522 0172 FBc +852 2521 1190 P. R. CHIMA - BART DEKKER, UM 1905 Shanghai Dversea Chimea Namsion, 129 Yan Ana Koda West, Shanghai 200040, P.R. Chima Tet +86 21 @48 4555 Fac +86 21 @48 1421

Subscribe and SAVE up to 53% off the cover price. Also available: PAY MONTHLY by easy, low cost, direct debit. HAND DELIVERY IN CENTRAL & GREATER LONDON & PARTS OF THE SOUTH EAST. Herald Eribune

For more information about easy ordering and availability of hand delivery CALL our Subscriber Customer Service Department: TOLL FREE: 00800 4 448 7827 (008004 IHT SUBS) or Fax: +44-0171 240 34 17 E-mail: subs@iht.com Internet: http://www.iht.com

PAYMENT BY MONTHLY DIRECT DEBIT TYES, I'd like to subscribe and have my bank account debited monthly by £17. Please start my subscription and send me a bank form to arrange my payment.

PAYMENT BY CHECK OR CREDIT CARD ☐ YES, I'd like to subscribe and pay for the following term:
☐ 12 months (+ 2 months free): £210

(Saving off cover price: 36%)
☐ Special, 2-month trial subscription: £22
(Saving off cover price: 53%)

My check is enclosed (payable to the IHT) ☐ Charge my: ☐ Access ☐ Amex ☐ Dine ☐ Eurocard ☐ MasterCard ☐ Visa Credit card charges will be made in French Francs at current exchange rates.

Please start delivery and send invoice.

First Name: ob Title: 1ailing Address: 🔲 Home 🔲 Business

City:

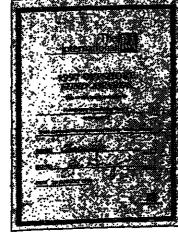
Your VAT Nº (Business orders only) got this copy of the IHT at: | klosk | hotel | airline | other UKI8 I do not wish to receive information from other companies.

This offer expires on December 31, 1998 and is AVAILABLE FOR NEW SUBSCRIBERS ONLY. Return your completed coupon to: Delphine Prinselaar, International Herald Tribune 63 Long Acre, London WC2E 9JH. Fax: +44-0171 240 34 17 E-Mail: subs@iht.com

READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING: EUROPE, MIDDLE EAST & AFRICA Tek: +33 | 4 | 43 93 6 | Fax: +33 | 4 | 43 92 10 THE AMERICAS Tel: (USA toll free) !-800-882-2884 Fax: +1 212 755 8785

ASIA Tel: +852 29 22 | | 71 Fax: +852 29 22 | | 99

North Star The Top Fund Manager*



*North Star was ranked No.1 Offshore Fund Manager of 1997 for 3 years performance by the two FT publications The International and Resident Abroad out of 104 international Fund Managers. North Star was also voted No.1 for 1995 and No.2 for 1996 by the same publica-

Purther information: Websites with North www.ft.com www.lipperweb.com www.micropal.com

Star prices/performance

North Star Fund Managers (Cayman) Limited

Tel. 001 345 945 73 10 Fax 001 345 945 73 11

Tel. 00 34 952 46 44 77 Fax 00 34 952 46 45 86

MAGNUM. Ranked #1 by Micropal & WSJ

Magnum specializes in blending different hedge fund strategies into funds of funds - seeking to provide investors with consistent long-term returns within given parameters of volatility.

Results have included: the top-performing hedge fund of funds in the world for 1997 as ranked by Standard & Poor's Micropal the world's top-performing global equity fund for

the 12 months through July 24, 1998 as ranked by The Wall Street Journal Europe and Asia. the top 5 performing funds of funds ranked by year to date returns as of May 31, 1998 as published in MAR/ Hedge, an industry journal tracking hedge fund performance, as well as the ten top-performing funds of funds in

the world for April 1998. the top-performing U.S. equity fund in the world for 1997; the top performing equity fund and the top performing UK equity fund in the world for 12 months ending April 1998, as ranked by Lipper Analytical Services. Magnum funds ranked 1st, 2nd and 5th in FT The International magazine's rankings of the best-performing

actively hedged funds in the world for the last 3 years through November 1, 1997. the top-performing multifund with a U.S. geographic emphasis for the 12 months through November 1997, as ranked by Lipper Analytical Services.

For more information email: magnum@magnumf.com or visit our web site WWW.magnumfund.com or fax Dion Friedland, Magnutti (Bahamas) 1-242-394-3284



BASEBALL Major league base-ball is looking into the possible role

of American League umpires in selling baseballs that were used in

David Wells's perfect game to a

Baseball's top security official. Kevin Hallinan, told The New

York Times that the AL had asked

him to investigate, but he did not

provide details. An AL spokes-

woman, Phyllis Merhige, con-

A Long Island sports memora-bilia dealer who said he bought 14

balls used in the perfect game that the New York Yankee pitched

against the Minnesota Twins on May 17 named Al Clark as the

umpire directly involved in the

Clark gave him a letter authentic-

ating the balls, which each carried Wells's signature and a handwritten

notation that it was used in the

game, the Times said. Clark was not

part of the umpiring crew that called

from seeking autographs from

TRACK AND FIELD Robert

Korzeniowski of Poland added an-

other gold medal to his Olympic

and world titles when he won the

men's 50-kilometer walk Friday at

the European track-and-field

front group from the start and began

The 30-year-old Pole was in the

He finished the grueling course

on a muggy morning in three hours.

43.51 minutes to beat Valentin

Kononen of Finland by a 38-second

margin.
This is my third title but my

first ever European medal and now.

Kononen, the 1995 world cham-

pion, clinched the silver at 3:44.29.

while Andrey Plomikov of Russia

took the bronze in 3:45.53. (AP)

finally, I am a complete athlete.

Korzeniowski said.

championships in Budapest.

pulling away at 40 kilometers.

Baseball's policy bars umpires

the game at Yankee Stadium.

Pole Walks to Victory

The dealer, Mark Lewis, said

firmed the investigation.

sale, the Times said.

memorabilia dealer.

. ::

WORLD ROUNDUP McGwire's 2 Homers Spice Up a Twin Bill **Umpires Suspected**

He's 10 From Maris as Mets and Cards Split

By Jack Curry New York Times Service

NEW YORK - Mark McGwire was the main attraction on a glorious baseball stage and was expected to perform like some sort of home run-hitting robot. Push a button, then watch him swing his bat and blast another homer.

Oddly enough, McGwire somehow made it look that simple against the Mets in a doubleheader on Thursday night. He pounded two homers — his 50th and 51st of the season — as the

BASEBALL ROUNDUP

Cardinals grabbed the first game, 2-0, before succumbing to the Mets, 5-4, in the second.

Just about everyone who bought a ticket to Shea Stadium wanted to see McGwire go deep and see history, and that they did.

McGwire exhibited a rare display of emotion following his first homer of the day, off Willie Blair in the opener, as he became the first player in major league history to drill 50 homers in three consecutive seasons, eclipsing Babe Ruth's record of two straight seasons, which Ruth accomplished twice.

McGwire pumped his fist twice, clapped his hands twice and shouted something to himself as he rounded the bases and received a rousing ovation from the enemy-turned-envious fans.

While McGwire was more subdued when he homered off Rick Reed in the second game, the red-headed superstar with the tight end's frame continued to add to the notion that he will surpass Roger Maris's 37-year-old record of 61 homers in a season.

McGwire had said the chase would become serious if a player reached 50 by Sept. 1. He has hit 51 with 11 days to

"I never dreamt of being in this position." McGwire said before smashing the two homers. "I dreamt about being a big leaguer. Things happen for a reason. Hard work pays off.'

McGwire uncorked his powerful swing off Blair's 2-1 slider in the sev-

enth inning of the opener and gazed toward left field as the ball soared in that direction. There were more than 40,000 pairs of eyes gazing into the blue sky with McGwire, but his eyes were the most expressive. He could not stop looking at the ball.

S PORTS

McGwire's historic homer followed Brian Jordan's homer and helped St. Louis roll in the first game, which turned into a foomote.

Then, in the second game, McGwire punctuated the evening by pummeling Reed's 3-2 pitch into the left-field screen in the first inning.

It obviously bothered the Mets' manager, Bobby Valentine, that the fans treated McGwire as if he had "NY" on his cap, but the Mets regained some support in the nightcap by erasing a 4-1 deficit with two runs in the fourth on Mike Piazza's 464-foot homer and two more in the seventh on Rey Ordonez's run-scoring double and Tony Phillips's RBI groundout.

McGwire whiffed for the third time this year against Turk Wendell with the Cardinals down by a run in the eighth, but it was still an unforgettable night in his dramatic pursuit of Maris. In other games, The Associated Press

Cubs 7, Giants 3 In Chicago, Glenallen Hill hit a pinch-hit grand slam as the Cubs beat San Francisco. It was Hill's third home run of the year and the fifth grand slam of his career. Sammy Sosa was 0-for-5 with three strikeouts, a day after hitting his 48th home run.

Phillies 11, Diamondbacks 1; Diaondbacks 12, Phillies 9 Devon White hit a three-run homer in the top of the 11th inning as Arizona rallied from a five-run deficit to gain a doubleheader split with host Philadelphia.

Curt Schilling struck out 14 and tossed a four-hitter, and Scott Rolen and Bobby Abreu each hit three-run homers to pace Philadelphia in the first game. Rockies 6, Expos 3 in Montreal, Darryl

Kile struck out a career-high 14 on the way to his first road victory since May. Kile (10-14) allowed three runs on nine hits in seven innings to win his third

champion Marlins would finish below .500 this season. They are 45-82. Brewers 6, Astros 5 in Milwaukee, Fernando Vina's fourth hit, a one-out single in the 10th inning, gave the Brew-

Pirates 6, Reds 5 Manny Martinez hit

an RBI single in the ninth over a drawn-

in outfield to give Pittsburgh a victory

Brown combined with three relievers on

an 11-hit shutout, and San Diego once

again pulled within a game of Atlanta for

the best record in the National League.

Dodgers 2, Martins 1 Jim Eisenreich

walked with two outs and the bases

loaded against his former teammates to

break a 10th-inning tie as Los Angeles

beat the Marlins in Miami. The loss

ensured that the defending World Series

Padres 2, Braves 0 In Atlanta, Kevin

over visiting Cincinnati.

ers a victory. The Brewers took advantage of reliever Billy Wagner's error to score the

tying run in the ninth. Twins 9, Yankees 4 In Minneapolis,

they had held the lead at least once ended as Ron Coomer's solo home run in the second inning started Minnesota toward victory. Coomer drove in three runs as the

Twins swept the two-game series, the first time the Yankees have been swept since losing a season-opening twogame set at Anaheim. Rangers 8, Indians 2 In Arlington,

Texas, Juan Gonzalez became Texas's career hit leader when he connected for his 35th home run as the Rangers defeated Cleveland.

Gonzalez gave the Rangers a 1-0 lead in the second inning with his homer off Dave Burba (10-9). It was Gonzalez's 1,181st career hit, pushing him past Jim Sundberg for the most in Rangers' history. With the homer, Gonzalez tied Sammy Sosa of the Chicago Cubs for the RBI lead at 121.

Devil Rays 4, Orioles 2 In Baltimore, Tony Saunders pitched seven innings of four-hit ball, and Bobby Smith snapped the Yankees' modern major league re-cord of 48 consecutive games in which as Tampa Bay blunted the Orioles'

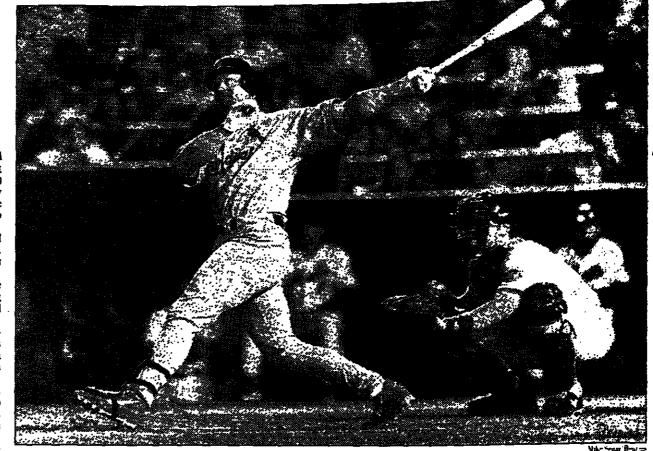
second-half surge with a victory. Bubba Trammell homered for Tampa Bay, which became only the second expansion team in major league history to win a season series from a reigning division or league champion. The Devils Rays went 7-5 against the defending AL.

East titlists, including 5-1 in Baltimore. Cal Ripken tied Brooks Robinson's franchise record of 2,848 hits with his 10th homer of the season, and B.J. Surhoff went 3-for-3 with a home run for Baltimore.

Royals 8, Red Sox 2 Terry Pendleton hit a three-run homer and drove in four runs as the host Royals beat Boston and snapped a five-game losing streak.

Pendleton's home run, his second of the year, gave the Royals a 3-2 lead in the first inning. He added an RBI groundout for an 8-2 lead in Kansas City's three-run fifth. Hipolito Pichardo (7-8) got the victory, but he left after five innings because of soreness in his right elbow.

Boston starter Pete Schourek (0-2) is still looking for his first AL victory since coming over from the Astros on Aug. 6.



The Cardinals' Mark McGwire became the first player in history to hit 50 homers in three straight seasons.

AMSTERDAM CHOSSROADS INTERNATIONAL CHURCH, (Clemont-Ferrand)
CHURCH Interdenominational & CHRIST CHURCH, (Clemont-Ferrand)
Evangelical Sunday Service 10:00
Ist & 3rd Sun. 5 p.m. ev. Dr. Jean-Heitz
Sunday School 11:15 a.m. Eucharist 1st
Sunday School 11:15 a.m. E CROSSROADS INTERNATIONAL 020-641 8812 or 020-6451 653.

FRANCE/TOULOUSE HOPE INTERNATIONAL CHURCH a.m. Via Bernardo Rucellai 9, 50123. (Evangelical). Hotel Le Grand Noble. Florence, Italy. Tel.: 39 0 55 294 417. Sunday service 10:30 a.m. 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

St. PAUL'S WITHIN-THE-WALLS , Sun.

MCE: Holy Tirrity (Anglican), 11 rue Bulla,
Sun. 11; VENCE: Si Hugh's, 22, av.
Pésistanos, 9 am. Tet 33 04 93 87 19 83.

Napol 58, 00184, Tet 39 06 488 3339 or FRANKFURT

St Leonhard, International Catholic Parish, Alte Mainzer Gasse 8, 60311 (near Römer). Masses in English: Salurday 5 p.m. Sunday, 10 a.m. TellFea. 069-283177 or J.Schad@em.trankturi-

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH 56, rue des Bons-Rausms, 92500 Rued-Malmaison, Summer schedule July, August, Worship 9.45; Coffee hour 11:00 For nio Tel: 01 47 51 29 63/01 47 49 15 29 or.

http://www.geoches.com/Pans/Metro/1352. HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-tar-berginse, o but de Neufly, Worship Sundays, 10.00 a.m. Rev. Frederic Henry, Pastor, T.: 01 43 33 04 06 Métro 1 to la Défense Esplanade. SAINT JOSEPH'S CHURCH (Roman lic), MASS IN ENGLISH: Sat 11:00 am. 6:30 pm.; Sun. 10:00 am., 12:00 morr, 6:30 p.m., Mon.-Fri. 8:00 a.m. 50, avenue Hoche, Paris Bh. Tel. 01 42:27:28:56 Metro Charles de Gaulle - Elicile

USA Il you would like a free Bible course by mail, please contact L'EGLISE de CHRIST, P.O. Box 513, Staunton, Indiana 47881 USA

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. Euchanst 9 & 11. Morning Prayer M-F 9 15 Euchanste/Prière

ROYAT (FRANCE)

FLORENCE ST. JAMES' CHURCH, Sun. 9 a.m. & 11

KARLSRUHE (GERMANY)

ANGLICAN EPISCOPAL COMMUNITY 1st & 3rd Sundays 5 p.m., in chapel of Lusenheim, Kochstr. 2-4. Tet. 49 (0) 721

283 79 or 49 (0) 721 49 15 99. BRUCKMUEHL (GERMANY) ANGLICAN-EPISCOPAL COMMUNITY.

meets at Ev. Lutheran Johannesidiche, 1st Sun. 11 except August, Adalbert-Sifter-Str. 2, 83052, Tel: 49 (0) 80245415.

THE CHURCH OF THE ASCENSION School/Nursery 11:45, Sevbothstr. 81545 Munich (Harlaching). Tel: 49 (0)

FRANKFURT LB.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James CHRIST THE KING Eucharlst Sun. 9 & 11. Duke, Pastor, Tel.: 971 - 2192. Sunday School/Nursey 10:45 Sebestian Pinz Str. 22 60323 Frankfurt, Ger., U1,2,3 Miquel-Aliee, Tel: 49 (0) 69550184.

WIESBADEN

STAUGUSTINE OF CANTERBURY Sun. 10 Eucharist, Frankfurter St. Wiesharien Germany, Tel: 40 (f) (

SWITZERLAND EMMANUEL CHURCH, 1st & 3rd Sun. 10

RELIGIOUS SERVICES BRUSSELS/WATERLOO

terioo, Belgium. Tel.: 32 (0) 2 384 3556.

BAPTIST CONVENTION

I.B.C., BERILIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warlord, pastor. Tel.: 030-774-4670.

St. PAUL DE VENCE - FICAUNCE Str. 23, Worship Service 12.00 noon. Charles Claire, Level '07, Bible Study Sun. 9:30, Worship Sun. 10:45. Tel. (04.9) 24.92.51.

BUCHAREST LB.C., Str. Xenopol nr. 2. This is next to Gradina locanel. 11:45 - 13:15. Contact Pastor

ers, Tel. 330-0273 or 321-3472 BUDAPEST

I.B.C., meets at Morics Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3932. BULGARIA

DARMSTADT - GERMANY

I.B.C., Wilhelm-Leuschner Str. 104, Darmstadt-Griesheim, Bible Study Sun. 16:00. Tel: (0611) 941-0505. FRANKFURT

INTERNATIONAL CHRISTIAN FEL-LOWSHIP, Ev.-Freikirchiiche Gemeinde, Sodenersk 11-18, 83150 Bad Homburg, Sunday Worship, Nursery & SS: 11-20 A.M. Mid-week ministries, Pastor

Morring Prayer Mr 9 15 Cuchasteer Level Ann. Euchanst 2nd & 4th Sun. Morring BETHEL I.B.C. Am Dachsberg 92 George V, 75008 Paris. Tel 33 (0) 1 53 23 Prayer, 3 rue de Monthoux. 1201 Geneve. (English), Worship Sun. 11:00 a.m. and 84 00. Metro: George V or Alma. Switzerland. Tel.: 41 (0) 22 732 80 78. 6:00 p.m. Tel.: 069-549559.

HOU AND

9:30 a.m. (nursery prox.) Men's, Women's, Youth & Small Group Ministries; Bloem-camplaan 54, Wassenaar 070-517-8024.

NICE - FRANCE

I.B.C. 13 rue Vernier, English pastor Roy Miller - Tal.: (04 93) 24 92 61.

PRAGUE

WATERLOO LB.C., Hohenlohestr. Hermann-Bose-Str. WATERI.OO BAPTIST FELLOWSHIP Worship Sun. 17:00, Pastor telephone: 0421-78 648. WATERI.OO at Swedish Church, across from MadDonaids, Tel.: (02) 353 1585. **ZURICH - SWITZERLAND**

I.B.C of Zürich, Gheistresse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30, Tel.: 1-4810018.

ASSOC, OF INT'L CHURCHES

AMERICAN CHURCH IN BEFILIN, cor. of Clay Alles & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel: 030-8132021

GENEVA EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30. in Ge 11:00 in English. Tel: (022) 3:10.50.89. PARIS

AMERICAN CHURCH IN PARIS, Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m.

Teams Aplenty, but Few Good Names

BOSTON - New basketball and American football leagues are in the planning stages, and they are creating fears for an already depleted market. The crisis has nothing to do with players -- there will always be plenty of college-trained talent looking for work. The problem is the official team nick-

names. Since they won't copy existing names, what are the owners of the new franchises going to name their clubs? All of the good names have already been taken. The Chicago Bears - that's a good name. The New York Giants: excellent. The Minnesota Vikings was perfect, until they moved to a carpeted home indoors with a huge TV screen they should have become the Couch

Potatoes. Nicknames in American sports have hit a dead end. The best minds in the naming business have apparently gone to work for advertising agencies and network news programs, leaving sports with the same humdrum ideas, usually an intimidating animal on the point of extinction.

When Florida and North Carolina were handed National Football League franchises a few years ago, they chose basically the same beast - becoming the Jacksonville Jaguars and the Carolina *Panthers*. The problem of names is not so great

elsewhere. In Australia they give their rugby teams nicknames such as Broncos, but many of the top soccer clubs in Europe follow a more traditional path.

Having risen up naturally within their cities generations ago, the European clubs stick with a variation on the name of that city or district, perhaps with an addition that hints at their roots: there are four teams in the English Premier League called United.

In America/IAN THOMSEN

Nicknames are created by fans rather than by the teams — if Southampton is playing Arsenal in the Premiership, the score doesn't appear in the papers: Gunners 4, Saints 0.

Gunners is an excellent nickname, by the way, but it wouldn't work in America. Because of firearms violence in the U.S. capital, the Washington Bullets re-

The best minds in the naming business have apparently gone to work for advertising agencies and network news.

cently changed their name to the tepid Wizards, chosen after a vote by the

Ethnic nicknames are no longer acceptable, which is good. The Atlanta Braves and the Washington Redskins have withstood calls to change their

If I were commissioner of the uncoming minor basketball league, all of the teams would be named after smart people and presidents. The Chicago Einsteins would play against the Philadelphia Teddy Roosevelts. The league could name a team the Orlando JD. Salingers, after the reclusive author. without ever really putting a team in

The team logos would be nothing more stylistic than the most famous photograph or portrait of each great man. You would sell a lot of T-shirts. The new soccer league in America

flow and named its clubs the New England Revolution and the Kansas City Wizards (that one again).

In one case it tried to mimic the English by naming its team in Washington United. But American newspapers, out of habit, refer to it as "the D.C. United.'

The fledgling Women's National Basketball Association has tried, nobly, to undertake a new direction by inventing teams like the Cleveland Rockers and the Utah Starzz. The Cleveland Rockers would have brought to mind Whistler's Mother. The Starz were christened in identification with the NBA team, the Utah Jazz, a name selected when the team lived in New Or-

Now, however, the franchise is based in Salt Lake City, a choir and sheetmusic town.

In any case, what does Starzz mean? Nicknames aren't bad. They are proof that sports is an entertainment, a In other countries it's easier to get

carried away when it's simply our city. against yours. And then there's noble Juventus, which within Italian soccer sounds like an ideal, a cause. Meanwhile we have our quaint Milwaukee Brewers and Green Bay Pack-

ers, whose fans show up for games wearing helmets shaped like cheese. Supporters of the old Cleveland Browns used to dress up like dogs. A nickname like that just isn't worth fight; ing for - unless, maybe, the opponent happens to be a Jaguar, a Panther or a

Ian Thomsen is a senior writer for Major League Soccet, went with the Sports Illustrated magazine.

"WHON

Cincinnati Bengal.



get around



with AT&T Direct" Service. Get fast, clear, reliable connections home from anywhere on the map. Just that the access number of the country you're calling from and charge it to your AT&T Calling Card or credit card. it's the best route you can take. For a list of access numbers, see our ad on the back page.

SPORTS

Double Loss for Giants

Sehorn Hurt as Jets Win Preseason Battle

By Bill Pennington New York Times Service

am Rain

EAST RUTHERFORD, New Jersey
The New York Jets rallied to defeat The New York Jets rallied to delear the New York Giants, 27-23, in their came at Giants Staannual preseason game at Giants Sta-gium. But for the Giants and their fans, the game will not be remembered for how it ended but how it began: Jason Schom sustaining a season-ending knee injury returning the opening kickoff.
Sehom, a star cornerback whose ad-Jed role as a return man was considered risky because it jeopardized one of the team's most valuable players, tore an-Terior cruciate and medial collateral ligaments at the end of a 33-yard runback.
Thursday when he fumbled the football and went down in a tangle of bodies. As Chris Hayes and Ray Mickens tackled Schorn, the Giant's right leg

hody. He will have reconstructive surgery in the next seven to 10 days.

It was the first kickoff that Sehorn, one of the fleetest Giants, had returned for the team. The team had decided to use Schorn to return kickoffs because he had asked to do so and because the Giants' kickoff return average last season was the worst in the National Foot-ball League.

Dent at an awkward angle beneath his

After limping to the sideline, Schorn was briefly examined on the bench by team doctors and then taken off the field on a cart so his knee could be X-rayed.

While being examined on the side-line, Sehorn briefly buried his head in a towel as several players came over to console him. Coach Jim Fassel also

stopped by to talk to Seborn. The winning score for the Jets came on an 81-yard touchdown pass from the reserve quarterback Vinny Testaverde to the wide receiver Dedric Ward mid-

way through the third quarter.

Testaverde's pass to Ward was precisely thrown, arching just over the rookie safety Shaun Williams.

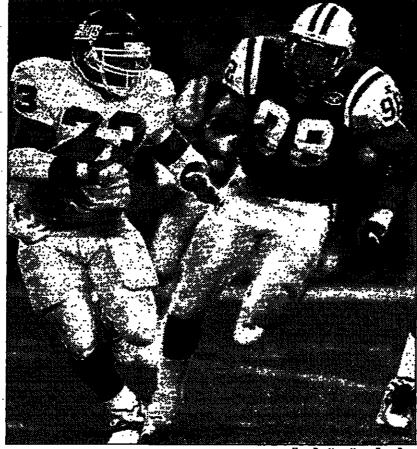
The touchdown pass came one play after the running back Tiki Barber spoiled what had been a fruitful Giants drive with a fumble at the Jets' 19-yard

The Giants' final possession in the last minutes of the fourth quarter stalled at the Jets' 43-yard line.

Earlier, the starting quarterbacks for both teams performed well. Glenn Foley of the Jets completed 14 of 22 passes for 192 yards with one touchdown and one interception. Danny Kanell of the Giants completed 16 of 25 passes for 156 yards.

It was in the first half that the teams looked sharpest, with the first-string offenses trading scores and moving up and down the field in what was the best display of offense for either team during the 1998 preseason.

The Jets scored first, taking advantage of Sehorn's fumble. Foley completed three passes in a six-play drive.



Gary Brown of the New York Giants is chased by Anthony Pleasant of the New York Jets in a preseason game at Giants Stadium in New Jersey. Brown made an impressive debut as a starting halfback for the Giants.

IOC Stance Raises Hopes

By Steve Keating Special to the Herald Tribune

LAUSANNE, Switzerland Olympic headquarters was awash with posturing and tough talk in the wake of the International Olympic Committee's proposal to set up a global agency to lead the fight against performance-en-

hancing drugs.

But while much of the talk had a familiar ring amid the 10-year an-niversary of Ben Johnson's steroid-

VANTAGE POINT

fueled 100 meter dash to infamy at the 1988 Summer Games in Seoul, there

was a difference. Unlike earlier rhetoric, there was a sense of urgency in the tone of the statement issued by the IOC's president, Juan Antonio Samaranch, at the end of the emergency meeting Thursday that was called to confront a doping crisis that threatens the foundation on which the Olympic movement was built - fair

play and sportsmanship.
Staggered by a stunning succession of drug scandals, the IOC called the session to lay down an agenda for a two-day drug summit meeting in February, saying it would invite government officials, scientists, lawyers, pharmaceutical companies — and athletes — to help it map out a detailed battle plan to purge

the Olympic family of drug cheats. But as the IOC executive board flexed its muscles for the world's press, it remains to be seen if it has the strength to follow through on its convictions. In the aftermath of the Johnson scan-

dal, a similar plan for a commando style, fly-in drug-testing team was developed, but it never got off the ground.

'This won't slip through the cracks like before,' said the IOC's vice president, Dick Pound, who is in charge of organizing financing for the new project. "It will either fall into a gaping hole

or work. I think what happened with the Tour de France made it clear to all the federations how vulnerable they are." In the decade since the doping prob-lem raced into the spotlight at the Seoul Olympics, the IOC has wrestled with the doping issue without much success. A summer of drug scandals, notably those that scarred the world's most prestigious bicycle race, suggested that the use of performance-enhancing drugs in sports

has reached epidemic proportions. The initiatives announced Thursday, which also included a call for a uniform doping code, are unlikely to leave drug-using athletes shivering in their spikes,

however. The IOC has indicated it is prepared to pour as much as \$40 million into the new agency, but admitted it has no foolproof method of testing for the drug du jour - erythropoietin, more commonly known as EPO — which is a synthetic hormone that stimulates the production of red blood cells.

Prince Alexandre de Merode, head of the IOC's medical commission, said: We do realize we will never be able to remove doping completely, but we will not lose this fight.

SCOREBOARD

BASEBALL Atlanta New York Philodelp Montreal Florida 409 .551 .484 .480

Artzonic 38 / 10 / 253 247;
Artzonic 48 80 375 247;
America 48 80 996—2 5 0
Kossos City 300 220 482—8 12 1
Schootek Lowe (5), C. Reyes (5),
Eckersley (8) and Varietic Picharde, Evans
(9), Service (7), Whiterpant (3) and Fasson.
W—Picharde 7-8, L—Schootek, 0-2.
HRS—Boston, Stunley (27), Konsos City,
Pendilerba (2),
Pendilerba (2),
Pendilerba (2),
Pendilerba (2),
Pendilerba (2),
Pendilerba (3),
Pendilerba (2),
Pendil

HR—Minnesola, R. Coomer (1.4).
Claveland 986 611 880—2 12 0
Telass 910 286 222—8 9 9
Borba, D. Jones (6), T. Maxim (7), Shuey (8)
and S. Alonou; Statilearyre, Genderson (6), D.
Potilerson (7) and J. Rodriguez,
W—Sintilearyre, 3-1. L.—Borba, 10-9. Sv—D.
Potileson (2), HRs—Teams, R.Kally (12), Greer
(11). Ju.Gonzaiez (25), L. Rodriguez (17).
Defreit 980 100 019—2 8 0
Apathaly 166 659 103—13 16 8
B. Powell, Sover (6), Chris (6), Bochtlier (7).

G. Hill (3).

First Game
St. Leuis 988 900 208—2 3 1
Nent Yerk 890 890 988—8 4 9
Osborre, Acevedo (7) and Lampkin; Blanis,
Rojas (8), McMichael (9) and Piazzo,
W—Osborrie, 3-2, L—Blatis, 4-16.
Se—Acevedo (3), HRs—St. Leuis, B. Jantian
C20, McGelerie (90).

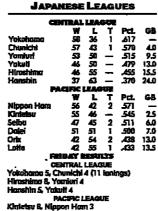
25), Abrev (12).
25), Abrev (12).
25), Abrev (12).
25), Abrev (12).
26), Angeles 018 000 000 1—2 4 8
Rerider 100 000 000 0—1 7 0
To limings

Mickl, Rodinsky (8), Show (10) ond C
Johnst Medins, Startifer (7), Spaler (8) ond
Zoun, W—Rodinsky, 6-5, L—Speler, 0-2.
Sw—Show (37), HR—Los Angeles, Sheffield

Sun Diego 110 000 809-2 6 1
Atlanta 000 809 000-2 11 0
K.Brown, Rn.Myers (7), Micel (7),
Hoffman (7) and C. Hernandez, Milhwood,

Hoffman (9) and C. Hernander; Miltwood, De.Marfinez (7), Rocker (8), Lighenberg (9) and J. Lopez, W.-K. Brown, 16-4, L.-Millwood, 14-7, Sv.—Hoffman (41). HR.—San Diego, Gomez (4). Colorade 229 802 802—6 18 0 Montreal 291 898 880—3 11 0 Kile, McElroy (8), DeJean (9) and J. Read; Therman, M. Moddux (7), Kilee (7), Telford (8), Bennett (9), M. Bafista (9) and Henley. W.—Kile, 10-14. L.—Thurman, 2-2. Sv.—DeJean (2). HRs—Colorado, Hellon (19), Vander Wal (5), Monstreal, V. Guerrero (31). Houston 012 800 200 6—5 17 3 Millwoodae 008 011 207 1—6 13 6 (10 Innings):Hampton, Elarion (7), D. Henry (9), 8. Wogner (9), Magaante (10) and (B), B. Wogner (9), Magaante (10) and Austreus; Korl Plank (7), C. Fox (8), Wickman (10) and Matheny, Hughes (7), W.-Wickman, 4-6. L.-Magnante, 4-6.

Estulesia. W—Schilling, 12-11, Philiadelphia 361 164 906 00—9 14 0 bicatt 1-3. HRs—Philiadelphia, Rolen 11 innings



SOCCER NFL PRESEASON

New York Jess 27, New York Giorns 23

Monday, August 24 THE WEEK AHEAD

SATURDAY, AUGUST 22 ATHLETICS, Budapest, Hungary — EAA. Juropean Athletics Championships, to Aug. 2: Dakar, Senegal — African Athletics

23: Dokar, Senegal — African Athlefics
Championships, to Aug. 23.
CRECKET, Southempton — Hampshire vs
Sri Lanka, to Aug. 24.
QOLF, Dublin, Ireland — PGA European
Tour, Smarth European Open, to Aug. 23:
Castle Rock, Colorado — U.S. PGA Tour, Sprint Costle Rock. Colorado — U.S. PGA Tour, Sprint International, to Aug. 22: Anapte Grove, Min-nesota — U.S. LPGA, Edina Reathy Classic, to Aug. 23: Mishima. Japan — Japan LPGA, Caterpitar, Missubishi Ladies, to Aug. 23. Jericha, New York — U.S. Senter PGA Tour, Northville Long Island Classic, to Aug. 23. 2007-09: RACINEC, Finland — Iva-liter World Cup. FIA. Finland Rally, to Aug. 23. 2016-09: MINNAM. Johanneshum — South

World Cup. FIA. Finland Rulls, to Aug. 23.

RUGBY UnitiON. Johannesburg — South
Africa vs. Australia, Tri-Nallans; Buenos
Aires — World Cup Americas zone final qualthring tournament, Unyguey vs. United States
Argentina vs. Conada.

BOCCER, Polma — Spanish Supercup.

second leg. Motiorau vs. Borcelona: Liverpool
— Liverpool vs. Arsenal English premier
leganse TENDRE, Indianapolis, Indiana -- ATP
Tour, RCA Champlorships, to Aug. 23; New
Haven, Connecticut -- ATP Tour, Pilot Pen
International, to Aug. 23; Montreal, Canada
-- WTA Tour, du Maurier Open, to Aug. 23.

SUNDAY, AUGUST 23 CYCLING, Zurich, Switzerland - UCL World Cup, Swies Grand Prix.

BASEBALL, Williamsport, Pennsylvania -LLB, Little League World Series, to Aug. 29. GOLF, Rochester, New York — USCA, US-Lamfeor Golf Champlonship, to Aug. 30. TENNIS, Boston— ATP Tour, MFS Pro Championships men's tournament to Aug. 30; Long Island, New York — ATP Tour. Hamlet Cup men's tournament, to Aug. 30; Atlanta. Georgia — WTA Tour, Women's U.S.

TUESDAY, AUGUST 25

Netherlands.

SOCCER, various sites — UEFA Cup record qualitying round, second leg. WEDNESDAY, AUGUST 26

BADMINITON, Moscow— World Grand Prix series, to Aug. 30. CYCLING, Bordeoux— UCI, World Chom-pianships (hock), to Sept. 30. SOCCER, various sites — European Cup second qualifying round, second leg: Guay-aquil, Ecuador — CONMEBOL, Capa Liber-todores, Brack.

aqui Ecusor — Commerco Copr Descriptodores, finals, second leg, Barcelona (Ecusodor) vs. Vosco do Gama (Brazil); Virginio Beach, Virginio — USSF, U.S. Open CupFinal, Columbus Crew vs. Chicago Fire.

THURSDAY, AUGUST 27

ATVALETICS, Brussels, Belgium — IAAF, Memorial Van Damme, Golden League senes. CRICKET, Landon— England vs. Sri Lanko, me-off test, 10 Aug. 31.

GOLF, Munich— PGA European Tour, BAW International Open. to Aug. 32. Alron. Ohio —NEC World Series of Golf, to Aug. 32. Surrey, Canada — U.S. PGA Tour. Greater

Vancouver Open, to Aug. 30: Hoshima, Japan — Japan PGA, Hisamitsu KBC to Aug. 30. soccess, Monaco — European Champtons' League draw, various sites — European Cup Winners' Cup qualifying round, second key: UEFA Cup second qualifying round, second key. (Sonatouspar (Turkey) vs. Arges Pitesti (Romania).

FRIDAY, AUGUST 28

GOLF, Norlito, Japan — Japan LPGA, Goyo Kensetsu Lodies Cup, to Aug. 30: Concord, Mas-sochusetis — U.S., Senior PGA Tour, Banklas ston Classic, to Aug. 30: Springfield, Illinois — U.S. LPGA, State Form Rail Classic, to Aug. 30. SOCCER, Manaco — Draw for first round of European Cup Winners' Cup and UEFA Cup: Manaco — European Super Cup final Real Madrid (Spain) vs. Chelsea (Eng-

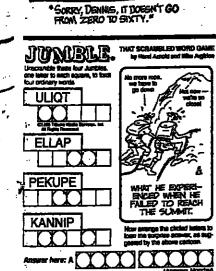
SATURDAY, AUGUST 29 MOTOR RACING. Spo-Francorchom elgium — FIA, Formula One, Belgian Gra

segum —FIA. Formula One, Belgian Grand Priz, qualitying, RUGBY URBOW, Sydney—IRB. Australia vs. New Zeoland, Bledisloe Cup. SOCE ER., Luanda—Angola vs. Zimbab-we, Casata Castle Cup tournament.

SUNDAY, AUGUST 30 ATHLETICS, Riefi, Holy — IAAF, Grand Prix (Class II): Glosgow, Scrifand — BAF, Spar British Chailenge, Britoin vs. United States. CYCLING, France — Western France Grand Prix. BROTORCYCLING., Zelfweg, Austria — Superbike world champlonship, round 10: Beigkum — Grand Prix Eddy Mercia. BROTOR RACING., Spa Francorchomps, Beigkum — FIA, Formula One, Beigkum Grand, Pro.

DENNIS THE MENACE



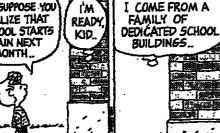


EDUCATION Appears every Monday n The Intermarket. To advertise contact Sarah Wersho in our London office: Td.: + 44 I 71 420 0326

Fax: +44 1 71 420 0338 or your nearest IHT office ur representative.

PEANUTS



















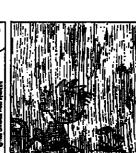




CALVIN AND HOBBES













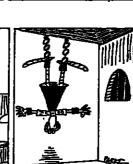








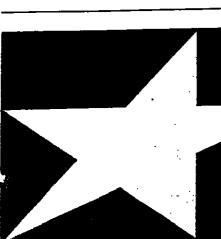








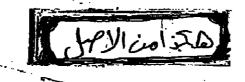




LIVE - Motorcycling The Czech Grand Prix tune in Sunday from 11:00 (CET)



Eurosport, Europe's No.1 Sports TV Channel, available on cable and satellite



DAVE BARRY

'Woon!' Alive in Paris

MIAMI — Today I'll be concluding my two-part series on Paris, France. In writing this series, my goal, as a journalist, is to provide you with enough information about this beautiful and culturally important city so that I can claim my summer vacation trip there as a tax deduction.

My topic in Part Two is the historic tourist attractions of Paris. The Parisians have been building historic attractions for more than 1,500 years as part of a coordinated effort to kill whatever tourists manage to escape the drivers. The key is stairs.

Most tourist attractions, such as L'Arc de Triomphe (literally, "The Lark of Triumph") and the Hunchback of Notre Dame Cathedral, have some kind of lookout point at the top that you, the tourist, are encouraged to climb to via a dark and scary medieval stone staircase containing at least 5,789 steps and the skeletons of previous tourists (you can tell which skeletons are American because they're wearing sneakers). Meanwhile, down

at street level, the Parisians are smoking cigarettes and re-'Some of them are marking, in French, "Some of them are still alive! We must still alive! We build more medieval steps!" must build more

Of course, the tallest monument in Paris is the Eiffel Tower, named for the visengineer who de-

signed it, Fred Tower. The good news is, there are elevators to the top. The bad news is, pretty much the entire tourist population of Europe is up there taking flash pictures of itself. There are so many people crowded into the smallish observation area that you get the feeling, crazy as it seems, that the whole darned Eiffel Tower is going to topple over. Ha ha!

medieval steps!'

In fact, this has happened only twice since 1991.

Paris also has many excellent art museums, the most famous being the Louvre (pronounced "Woon"). If you plan to visit it, you should allow yourself plenty of time to see everything — say, four years — because the Louvre is the size of Connecticut, only with more stairs. The museum contains 30,000 pieces of painting and sculpture, and as you walk past these incredible works of art, depicting humanity through the centuries, you cannot help but be struck, as millions of people have been struck before you, by the fact that for a whole lot of

those centuries, humanity was stark naked.

To judge from the Louvre, until about 1900, everybody on Earth — men, women, children, gods, goddesses, horses basically just stood around all the time without a stitch of clothing on. There's one gigantic painting of a bunch of warriors getting ready to go into battle, and all they're wearing is swords. You expect to see a comics-style speech balloon coming out of the lead warrior's mouth, saying, "Fight hard, men! If we win the war we can afford pants!"

men! If we win the war, we can afford pants! I think the reason the Mona Lisa is so famous is that she's just about the only artistic subject in the Louvre who's wearing clothes. On any given day, every tourist in Europe who is not on top of the Eiffel Tower is gathered in front of the Mona Lisa, who gazes out at the crowd with the enigmatic ex-

'Fight hard, men! If we win the war, we can afford pants!'

pression of a person who is pondering the timeless question: "How come they keep taking flash photographs, even though the signs specifically prohibit this?" I enjoyed the art museums,

but for me the most moving cultural experience I had in Paris was - and you may call me a big fat stupid low-rent

American pig if you wish — visiting a gourmet food store called Fauchon (pronounced "Woon"), which contains twothirds of the world's calorie supply. In the great art museums, I eventually reached a saturation point and found myself walking right past brilliant masterpiece paintings by Van Gogh, Renoir, Matisse, LeRoy Neiman, etc., without even glancing at them: whereas after a lengthy period of browsing in Fauchon, I was still enthusiastically remarking, with genuine artistic appreciation: "Whoa! Check out THESE eclairs!

In conclusion. I would say that Paris is the most beautiful city in the world, and its inhabitants have an amazing sense of "savoir-faire," which means, literally, "knowing how to extinguish a fire." I say this because one Sunday afternoon I was in a crowded cafe when smoke started billowing from a cabinet into which waiters had been stuffing trash. It was a semi-scary situation; I stood up and gestured toward the smoke in an alarmed American manner, but the French diners paid no attention. In a moment, a waiter appeared carrying some food; he noted the smoke, served the food, went away, then returned to douse the fire with, I swear, a bottle of mineral water. And you just know it was the correct kind of mineral water for that kind of fire. So the meal ended up being very pleasant. It was also — I state this for the benefit of the Internal Revenue Service — quite expensive.

© 1998, The Miumi Herald Distributed by Tribune Media Services Inc

The Secret Life of Charles Lutwidge Dodgson

By Alan Riding New York Times Service

ONDON - Even by Victorian standards, Charles Lutwidge Dodgson was a considerable eccentric. When the shy Oxford University lecturer veered away from his academic interest in mathematics to publish "Alice's Adventures in Wonderland" and "Through the Looking Glass," he hid behind the nom de plume of Lewis Carroll and, even late in life, refused to acknowledge that he was the author of the best-selling children's classics.

There was more. Dodgson exhibited a lifelong affection for little girls, seeking them out not only to enjoy their company and tell them stories, but also to photograph them, at times naked. His university colleagues thought this bizarre, but he evidently did not. In a letter to the mother of two of his prepubescent models, he wrote: "Their innocent unconsciousness is very beautiful, and gives one a feeling of

reverence, as at the presence of something sacred."

This year, with the centennial of Dodgson's death being celebrated here with exhibitions, conferences, walking tours, ballets, musicals, television documentaries and new publications, the personality and obsessions of the man

behind the pseudonym are again being put to scrutiny.

But now, viewed through contemporary eyes, his image is no longer unblemished. At the very least, his fascination for little girls is today considered dubious.

"I did a show of his photographs in 1974, and at the time no one asked me about pedophilia." said Colin Ford, director of the National Museum of Wales and curator of a new exhibition of Dodgson's photographs at the National Portrait Gallery in London. "This year, the question has overshadowed everything. So a quarter of a century has totally changed our views. We see pedophilia everywhere nowadays. The world has changed quite dramatically." Ford, though, is among Lewis Carroll experts who believe that, while clearly obsessive, Dodgson's attraction to young girls was probably motivated by a highly romanticized view of innecence. "Victorian final and had a clear notion that a

of innocence. "Victorian England had a clear notion that a girl before puberty was as pure and divine as was possible to imagine," he said. "Then, when she reached puberty and was ready for marriage, hands off!"

Certainly, it is impossible to imagine the unmarried Dodgson — or Carroll — writing books for children unless he had a special affection for them. He was the eldest of 11 children of a Church of England priest and, as such, grew up in a household of little girls and boys. Then, in the mid-1850s, he first met the three children of Harry Liddell, the dean of Christ Church College, and for the first time could claim what he called "child friends" of his own.

Of these, Alice was the youngest and prettiest of the sisters. And it was thanks to Alice's insistence on being entertained that "Alice's Adventures in Wonderland" was born during a boat trip to Godstow Lock outside Oxford on July 4, 1862. Alice was 10 then, 20 years Dodgson's junior. By the time the story improvised that summer afternoon appeared in book form in 1865, however, Alice's mother had banished Dodgson from the Liddell household, perhaps because she feared



The Oxford lecturer better known as Lewis Carroll.

that one day Dodgson could become her son-in-law.

Dodgson was distraught. In his 1996 biography of Carroll,
Michael Bakewell concludes quite simply that "he was in
love with Alice." Certainly he continued to speak of her as his "ideal child friend," and in 1872 she was again the unseen muse for "Through the Looking Glass." The book's closing poem includes the lines: "Still she haums me phantomwise/Alice moving under skies/Never seen by waking eyes."

Dodgson nonetheless continued to befriend and photograph young girls. In the introduction to a Penguin Books centennial edition of Carroll's two best-known stories, Hugh Haughton, a lecturer at the University of York, notes that Dodgson would list his "child conquests" in his diaries.

"Dodgson was the Casanova of the Victorian nursery," he offers. In the years leading up to his decision to abandon photography in 1830, Dodgson also began taking photographs of his "child friends" in the nude. "With children tographs of his "child friends" in the nucle. With Children who know me well, and who regard dress as a matter of indifference, I am very glad (when mothers permit) to take them in any amount of undress which is presentable, or even in none (which is more presentable than any form of undress)," he wrote in his diaries.

Although only four of these ands who complete surgices the

Although only four of these nude photographs survive (he destroyed most of them before his death in Guildford on Jan. 14, 1898), these at least are not remotely salacious and are more evocative of the cherubic children who routinely appeared in the Pre-Raphaelite paintings that Dodgson admired indeed, the photograph that experts consider most emotionally—and perhaps sexually—charged is "Alice Liddellas a Beggar Girl," which shows Alice in ragged clothes, her bare shoulders visible, her head cocked to one side.

"Yet Carolitaged Tempuson (who thought this shoulders)

"Yet Carroll - and Tennyson (who thought this the most beautiful photograph he had ever seen) — surely saw only innocence in it," Ford writes in an essay accompanying the show at the National Portrait Gallery. "For them, Alice's costume was simply a picturesque version of a beggar's clothes, her fixed gaze the result of having to keep absolutely

Ford said that his purpose in organizing the show, "Lewis Carroll: Through the Viewfinder," which runs through Oct. 11, was simply "to say he was a great photographer, able to take illuminating pictures of children more than anyone in the 19th century.

As it happens, individual portraits of girls account for only a third of the 70 or so photographs in the show, although children do appear in other group photographs.

Dodgson's skill as a photographer is most evident in the portraits taken in his rooftop studio in Oxford where, unlike many of his contemporaries, he invariably captured his submany of his contemporaries, he invariably captured his subjects in informal and natural positions, as in his famous photograph of a later favorite, Alexandra Kinchen, asleep on a couch. "His ability in establishing relaxed relationships with his sitters means that, though they had to sit still for just as long as they did with other photographers of the time, they mostly look calm, confident and not at all artificial." Ford writes.

If the children in particular seem at ease, it was also because the stammering Dodgson, who was socially dys-functional with most adults, felt at home in their company. In several later memoirs, some of his young sitters recalled the fun they had visiting his studio and dressing up to be photographed. And it was with them that Dodgson evidently felt freer to develop his art; significantly, he always referred to himself as an artist.

77 13

For Ford, any sexuality seen in his photographs remains a product of our age. He notes that popular 19th-century erotic photographs were seen as pomographic in Victorian times. "Today, they seem harmless enough, exploitative of their models perhaps, but almost charming and surely unarousing," he writes. "These once-shocking images have become safe, while Carroll's always innocent nude children have become dangerous and threatening."



SPIN DOCTOR — Bob Geldof, the Irish pop star, announcing his new job as a disk jockey for the revived London radio station XFM. unauthorized biography. The newsweekly Mari- Great Lakes Shipwreck Historical Society.

PEOPLE

THE actress and ambassador Shirley Temple anne apparently got around an earlier court decision, which blocked anyone from even publishing the Black, the little girl who saved 20th Century-Fox from failure during the Depression, and Willie Nelson, who helped reinvent country music, are among six people who will receive the Kennedy Center's annual honors in the performing arts. The others are the actor-comedian Bill Cosby; the Broadway songwriting team of John Kander and Fred Ebb, who are responsible for the musicals composer, conductor and pianist, whose first opera, "A Streetcar Named Desire," will have its premiere at the San Francisco Opera on Sept. 19. They will be honored at a gala Dec. 6 at the Kennedy Center.

Jackie Gleason's family has sued a cigar store chain, accusing it of using an image of "The Honeymooners" star without permission. But an owner of the Royal Cigar Society International said

it had removed the image of Gleason with a cigar in his hand as soon as the family asked.

book's synopsis, by running court papers that cite its contents. Among the details quoted from the court papers, were Delon's alleged youthful dalliances with other actors or actresses and reported ties to shady politicians, mafia figures and mercenaries.

an ancient Peruvian vessel around the world has ended after eight months. Gene Savoy and the six-man crew of the Feathered Serpent III were rescued Thursday after their 73-foot catamaran broke up in bad weather 500 miles southwest of Christmas Island in the Pacific. The voyage was intended to prove that pre-Columbian Peru had contact with civilizations as far away as Japan and the Middle East.

П The Canadian folk singer Gordon Lightfoot will aid a fund-raising effort to memorialize victims of the more than 6,000 ships that have gone down in the Great Lakes. Lightfoot, whose ballad "The Wreck of the actor Alain Delon has failed to persuade a the Edmund Frizzerald" popularized the legend of court to order a French magazine off the newsstands after it published sordid allegations from a planned Sept. 19 in Sault Ste. Marie, Michigan, to benefit the



and use AT&T Direct Service. With the world's most powerful network you get fast, clear, reliable connections from anywhere, Plus you'll always have the option of an operator who speaks your language. All it takes is your AT&T Calling Card or credit card, and you're well on your way. So you can give everyone back home a ring.

For easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.

2. Dial the phone number you're calling.



	AT&T Access Numbers	
Austria	Graces	Sandi Arabis

